OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 11 July 2012

The Council met at Eleven o'clock

MEMBERS PRESENT:

THE PRESIDENT
THE HONOURABLE JASPER TSANG YOK-SING, G.B.S., J.P.

THE HONOURABLE ALBERT HO CHUN-YAN

IR DR THE HONOURABLE RAYMOND HO CHUNG-TAI, S.B.S., S.B.ST.J., J.P.

THE HONOURABLE LEE CHEUK-YAN

DR THE HONOURABLE DAVID LI KWOK-PO, G.B.M., G.B.S., J.P.

THE HONOURABLE FRED LI WAH-MING, S.B.S., J.P.

DR THE HONOURABLE MARGARET NG

THE HONOURABLE JAMES TO KUN-SUN

THE HONOURABLE CHEUNG MAN-KWONG

THE HONOURABLE CHAN KAM-LAM, S.B.S., J.P.

THE HONOURABLE MRS SOPHIE LEUNG LAU YAU-FUN, G.B.S., J.P.

THE HONOURABLE LEUNG YIU-CHUNG

DR THE HONOURABLE PHILIP WONG YU-HONG, G.B.S.

THE HONOURABLE WONG YUNG-KAN, S.B.S., J.P.

THE HONOURABLE LAU KONG-WAH, J.P.

THE HONOURABLE LAU WONG-FAT, G.B.M., G.B.S., J.P.

THE HONOURABLE MIRIAM LAU KIN-YEE, G.B.S., J.P.

THE HONOURABLE EMILY LAU WAI-HING, J.P.

THE HONOURABLE TIMOTHY FOK TSUN-TING, G.B.S., J.P.

THE HONOURABLE TAM YIU-CHUNG, G.B.S., J.P.

THE HONOURABLE ABRAHAM SHEK LAI-HIM, S.B.S., J.P.

THE HONOURABLE LI FUNG-YING, S.B.S., J.P.

THE HONOURABLE TOMMY CHEUNG YU-YAN, S.B.S., J.P.

THE HONOURABLE FREDERICK FUNG KIN-KEE, S.B.S., J.P.

THE HONOURABLE AUDREY EU YUET-MEE, S.C., J.P.

THE HONOURABLE VINCENT FANG KANG, S.B.S., J.P.

THE HONOURABLE WONG KWOK-HING, M.H.

THE HONOURABLE LEE WING-TAT

DR THE HONOURABLE JOSEPH LEE KOK-LONG, S.B.S., J.P.

THE HONOURABLE JEFFREY LAM KIN-FUNG, G.B.S., J.P.

THE HONOURABLE ANDREW LEUNG KWAN-YUEN, G.B.S., J.P.

THE HONOURABLE CHEUNG HOK-MING, G.B.S., J.P.

THE HONOURABLE WONG TING-KWONG, S.B.S., J.P.

THE HONOURABLE RONNY TONG KA-WAH, S.C.

THE HONOURABLE CHIM PUI-CHUNG

PROF THE HONOURABLE PATRICK LAU SAU-SHING, S.B.S., J.P.

THE HONOURABLE KAM NAI-WAI, M.H.

THE HONOURABLE CYD HO SAU-LAN

THE HONOURABLE STARRY LEE WAI-KING, J.P.

DR THE HONOURABLE LAM TAI-FAI, S.B.S., J.P.

THE HONOURABLE CHAN HAK-KAN, J.P.

THE HONOURABLE PAUL CHAN MO-PO, M.H., J.P.

THE HONOURABLE CHAN KIN-POR, B.B.S., J.P.

DR THE HONOURABLE PRISCILLA LEUNG MEI-FUN, J.P.

DR THE HONOURABLE LEUNG KA-LAU

THE HONOURABLE CHEUNG KWOK-CHE

THE HONOURABLE WONG SING-CHI

THE HONOURABLE WONG KWOK-KIN, B.B.S.

THE HONOURABLE IP WAI-MING, M.H.

THE HONOURABLE IP KWOK-HIM, G.B.S., J.P.

THE HONOURABLE MRS REGINA IP LAU SUK-YEE, G.B.S., J.P.

DR THE HONOURABLE PAN PEY-CHYOU

THE HONOURABLE PAUL TSE WAI-CHUN, J.P.

DR THE HONOURABLE SAMSON TAM WAI-HO, J.P.

THE HONOURABLE ALAN LEONG KAH-KIT, S.C.

THE HONOURABLE LEUNG KWOK-HUNG

THE HONOURABLE TANYA CHAN

THE HONOURABLE ALBERT CHAN WAI-YIP

THE HONOURABLE WONG YUK-MAN

MEMBER ABSENT:

THE HONOURABLE ANDREW CHENG KAR-FOO

PUBLIC OFFICERS ATTENDING:

THE HONOURABLE JOHN TSANG CHUN-WAH, G.B.M., J.P.
THE FINANCIAL SECRETARY

PROF THE HONOURABLE ANTHONY CHEUNG BING-LEUNG, G.B.S., J.P.
SECRETARY FOR TRANSPORT AND HOUSING

THE HONOURABLE TSANG TAK-SING, G.B.S., J.P.
SECRETARY FOR HOME AFFAIRS

PROF THE HONOURABLE K C CHAN, G.B.S., J.P.
SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY

THE HONOURABLE RAYMOND TAM CHI-YUEN, G.B.S., J.P.
SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS

THE HONOURABLE MAK CHAI-KWONG, G.B.S., J.P.
SECRETARY FOR DEVELOPMENT

THE HONOURABLE WONG KAM-SING
SECRETARY FOR THE ENVIRONMENT

CLERKS IN ATTENDANCE:

MS PAULINE NG MAN-WAH, S.B.S., SECRETARY GENERAL

MISS ODELIA LEUNG HING-YEE, ASSISTANT SECRETARY GENERAL

MISS FLORA TAI YIN-PING, ASSISTANT SECRETARY GENERAL

MRS JUSTINA LAM CHENG BO-LING, ASSISTANT SECRETARY GENERAL

PRESIDENT (in Cantonese): Clerk, please ring the bell to summon Members to the Chamber.

(After the summoning bell had been rung, a number of Members entered the Chamber)

PRESIDENT (in Cantonese): The meeting shall now start.

TABLING OF PAPERS

The following papers were laid on the table under Rule 21(2) of the Rules of Procedure:

Subsidiary Legislation/Instrument	*L.N. No.*
Public Health and Municipal Services Ordinance (Public Pleasure Grounds) (Amendment of Fourth Schedule) (No. 2) Order 2012	109/2012

Other Papers

No. 108 — Report by the Commissioner of Correctional Services on the administration of the Prisoners' Welfare Fund together with the Report of the Director of Audit and financial statements for the year ended 31 March 2012

No. 109 — J.E. Joseph Trust Fund
Report of the Trustee and the signed and audited financial statements together with the Report of the Director of Audit for the period from 1 April 2011 to 31 March 2012

No. 110 — Kadoorie Agricultural Aid Loan Fund
Report of the Kadoorie Agricultural Aid Loan Fund Committee and the signed and audited financial statements together with the Report of the Director of Audit for the period from 1 April 2011 to 31 March 2012

No. 111 — Clothing Industry Training Authority Annual Report 2011

No. 112 — Hong Kong Deposit Protection Board Annual Report 2011-2012

No. 113 — Sir Robert Black Trust Fund
Report of the Trustee on the Administration of the Fund and financial statements together with the Report of the Director of Audit for the year ended 31 March 2012

No. 114 — Annual Report of The Ombudsman Hong Kong 2012

Report of the Finance Committee on the examination of the Estimates of Expenditure 2012-2013

Report of the Committee on Members' Interests of the Fourth Legislative Council

Committee on Rules of Procedure Progress Report for the period July 2011 to July 2012

Report No. 25/11-12 of the House Committee on Consideration of Subsidiary Legislation and Other Instruments

Report of the Bills Committee on Inland Revenue (Amendment) Bill 2012

Report of the Panel on Housing 2011-2012

Report of the Panel on Environmental Affairs 2011-2012

Report of the Panel on Food Safety and Environmental Hygiene 2011-2012

Report of the Panel on Welfare Services 2011-2012

Report of the Panel on Education 2011-2012

Report of the Panel on Development 2011-2012

Report of the Panel on Home Affairs 2011-2012

Report of the Panel on Health Services 2011-2012

Report of the Panel on Manpower 2011-2012

Report of the Panel on Security 2011-2012

Report of the Panel on Constitutional Affairs 2011-2012

Report of the Panel on Administration of Justice and Legal Services 2011-2012

Report of the Panel on Transport 2011-2012

Report of the Panel on Commerce and Industry 2011-2012

Report of the Panel on Information Technology and Broadcasting 2011-2012

Report of the Panel on Financial Affairs 2011-2012

Report of the Panel on Public Service 2011-2012

Report of the Panel on Economic Development 2011-2012

ORAL ANSWERS TO QUESTIONS

PRESIDENT (in Cantonese): Questions. First question.

Government's New Housing Policy

1. **MS MIRIAM LAU** (in Cantonese): *President, the Chief Executive mentioned time and again before his assumption of office that the prime task after his assumption of office would be to take forward a new housing policy, whilst his governing team also advocates that the new Government should promote a "supply-led" strategy and increase the supply of public rental housing (PRH) flats*

and Home Ownership Scheme (HOS) flats, so as to cope with the shortfall of supply in private housing flats. The former Secretary for Transport and Housing also advised the new Government before her departure from office that …… Sorry, President. I have clipped my microphone the wrong side up.

President, do I need to start again?

PRESIDENT (in Cantonese): No, you do not. Please continue with the rest of your question.

MS MIRIAM LAU (in Cantonese): *Okay. The former Secretary for Transport and Housing also advised the new Government before her departure from office that it might be very risky for the new Government to enhance its intervention in property prices, and it should do so according to its ability. Regarding how a balance can be struck between providing members of the public opportunities of home ownership and avoiding drastic fluctuations in property prices, will the Government inform this Council:*

(a) of the annual housing construction target of the new Government during its term of administration in the next five years; whether it has any concrete construction programme; of the ratio between public and private housing flats; whether public housing flats will be put on sale on the market; if so, of the details and the quantity of such flats; if not, the reasons for that;

(b) whether the new Government will change the plan of selling sites with restrictions on flat number and flat size which has already been implemented by the Government of the last term; if so, of the details; and

(c) regarding the introduction of a "Hong Kong property for Hong Kong residents" policy put forward by the Chief Executive in his election platform, of the circumstances based on which the Government decides when such policy should be introduced, and of the types of housing to which such policy will apply?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, members of the community wish to have a happy home and housing currently tops the list of livelihood issues of public concern. The present Administration has listed housing as one of its key tasks. We are aware that there are a number of housing issues of general concern to the public which require careful and pragmatic handling. These include the housing needs of the grassroots and non-elderly singletons; and the difficulty faced by the lower- and middle-income families in home purchase.

Housing is not simply meeting the basic needs of the public. It also affects the economy. Hence the Government will adopt a balanced approach to increase the supply of public housing on the one hand, and maintain the stability of the private market on the other. The key rests with increasing land supply for public and private housing as appropriate to provide sufficient flats to meet the public demand for housing.

I would like to take this opportunity to emphasize that we will handle the issue of housing which is of wide public concern in a prudent manner. We will strive to increase the overall supply of housing and facilitate the stable and healthy development of the property market through increasing land supply so as to avoid high volatility in the market. Only when people are living in contentment will society be stable and harmonious. We will adopt a realistic and pragmatic approach in handling housing matters and will reach out to the districts to listen broadly to the views of the public in a humble manner.

My reply to the three-part question raised by Ms LAU is as follows:

(a) We consider that the provision of public and private residential flats should dovetail with the prevailing trend of housing demand. Hence we will reactivate the long-term study on housing and, based on our past experience, formulate a long-term housing strategy. We will conduct a comprehensive assessment of housing demand so as to gain a better understanding of the public's demand for different types of housing.

On the PRH side, we will start with improving the land planning process and increasing PRH supply to meet the growing demand. The current annual average PRH production of 15 000 units is not a

fixed target, and we will increase the supply having regard to the circumstances and subject to the land situation.

On the New HOS, our current plan is to provide some 17 000 flats over the four years from 2016-2017 onwards. When more sites are identified in future, our target is to provide some 5 000 flats on average per year.

On the private housing side, making land available for an annual production of 20 000 flats on average over the next few years is not a fixed target. Our aim is to allow the Government to build up land reserve in a certain period of time so as to ensure steady land supply for the property market.

There is no fixed ratio between the supply of public and private flats as mentioned above. The housing supply of these flats can be adjusted according to the supply and demand conditions under the prevailing circumstances.

We will continue to increase land supply by adopting a multi-pronged approach, including releasing industrial land, exploring the options of reclamation on an appropriate scale outside the Victoria Harbour and development of caverns; looking into the use of green belt areas that are devegetated, deserted or formed; examining the uses of "Government, Institution or Community" sites; and exploring the possibility of converting into housing land those sites in the North District and Yuen Long currently used mainly for industrial purposes or temporary storage, or which is deserted, so as to open up land resources and actively build up land reserve. This will help enable the Government to meet the demand for housing during different times and to resolve the problem at source.

(b) The Government announced for the first time in 2010 that it would specify in the land sale conditions the minimum number of residential flats to be built and restrictions on the flat size. This measure aimed to increase the supply of small- and medium-sized flats in the market. In addition, the Government introduced a

measure in 2011-2012 to impose restrictions on certain residential sites requiring developers concerned to provide no less than a certain number of flats on the sites in order to ensure the supply of residential flats.

Owing to the resumption of the HOS and the launch of the West Rail property development projects, which include the successfully tendered Nam Cheong Station project and Tsuen Wan West Station TW5 (Cityside) project, the Tsuen Wan West Station TW5 (Bayside) project which just started to invite tender yesterday, as well as the proposed development at Long Ping Station (North) which is scheduled for tender in the second quarter of 2012-2013, it is believed that the supply of small- and medium-sized flats in the market will increase notably in the coming years.

President, land is a precious resource in Hong Kong and the development of land requires much effort in planning and the support of infrastructure. We have to ensure that the land so developed could supply a good number of flats. We will continue to monitor closely the development of the property market and, may consider specifying in the land sale conditions such requirements as the number of flats to be built having regard to the prevailing circumstances to meet market needs.

(c) The rationale of the policy of "Hong Kong property for Hong Kong residents" put forward by the Chief Executive is to accord priority to cater for the housing needs of local residents.

Local public housing providers including the Housing Authority (HA) and the Housing Society (HS) have been catering for the needs of Hong Kong residents on home ownership at different times from various angles and levels. The HOS launched by the HA in the 1970s last century, the Flat-For-Sale Scheme and the Sandwich Class Housing Scheme launched by the HS in the 1980s and 1990s, and the newly introduced My Home Purchase Plan (MHPP) undertaken by the HS are all mainly targeted at Hong Kong residents.

We will ascertain the public policy objectives of the relevant public housing providers, and will explore with them on ways to better meet the home ownership needs of Hong Kong residents with different affordability through their subsidized housing projects. We will also continue to closely monitor the development of the property market. If necessary, we will take appropriate measures to ensure a stable and healthy development of the property market and to strive to safeguard the opportunity for Hong Kong residents to purchase their own homes.

MS MIRIAM LAU (in Cantonese): *President, I notice that in the past few months the Chief Executive has been backing out from the policy of "Hong Kong property for Hong Kong residents" whenever he talked about it; and the policy now may not be the same as before. By the time Mr C Y LEUNG formally announced his policy platform in early March, he unexpectedly added a condition for the "Hong Kong property for Hong Kong residents" policy, saying that the policy would only be launched when the property market became overheated. In a television interview last month, he said that the prevailing conditions of Hong Kong did not suffice the launching of the policy. Recently, Mr Barry CHEUNG, one of his newly appointed Executive Council members, further pointed out that non-Hong Kong residents purchasing property in Hong Kong was not the cause of our high property prices, opining that the "Hong Kong property for Hong Kong residents" policy would not be very effective.*

As indicated in part (c) of the main reply, the "Hong Kong property for Hong Kong residents" policy has suddenly changed into a public housing policy. May I ask whether the series of events signify a stillborn of the policy? Or, is the policy only something which Mr LEUNG used for coaxing support and that he will now withdraw it because he is now successfully elected and he is, perhaps, afraid of the property developers? Or, by saying that the "Hong Kong property for Hong Kong residents" policy involves only public housing flats, rather than including also private housing flats as he originally promised, is he going back on his words? Will the Secretary please explain further?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, when the Chief Executive put forth the "Hong Kong property for Hong

Kong residents" policy, the basic rationale is to accord priority to cater for the housing needs of the Hong Kong residents. Hence, when the private property market becomes overheated, or when non-Hong Kong residents purchasing local properties directly undermine the opportunities of Hong Kong residents in home ownership, it will be legitimate for the Government to adopt appropriate counter-measures. The stand of the policy has never been changed.

MR WONG KWOK-KIN (in Cantonese): *President, I notice that the Secretary has recently announced that a new policy will be launched to allow white form applicants to buy HOS flats in the secondary market without paying the premium. Given that new HOS flats will not be available in the market until 2016-2017, the new policy should be a faster means to temporarily meet people's housing needs. That said, I also notice that the number of HOS flats put on sale on the market has all along been small because the existing premium payment policy is a disincentive to the owners in selling their HOS flats.*

May I ask the Government whether it has any incentive measures or new ideas, when implementing this policy, to encourage existing HOS flat owners who have already purchased private properties to sell their flats as soon as possible, so as to meet the demand?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, recently, the Government is aware of calls for permitting HOS flat owners to sell their flats in the secondary market to eligible white form applicants without paying the premium. At present, HOS flat owners, having considered the need to pay a premium, may refrain from prematurely selling their flats. Their views are now being actively considered by the Government. We have to carefully consider the detailed arrangement if HOS flats are allowed to be sold to white form applicants on the secondary market without paying the premium, and on a more comprehensive level, whether this will have an impact on other housing policies.

MR TOMMY CHEUNG (in Cantonese): *President, as pointed out by Ms Miriam LAU just now in her supplementary question on part (c), the Government has mixed up public housing with the "Hong Kong property for Hong Kong*

residents" policy. And in part (b) of the main reply, the Secretary mingled residential flats with flat size restrictions together with the HOS flats, saying that there will be many small-sized flats on the market.

In fact, about one or two years ago when the discussion was centred on residential flats with flat size restrictions and the policy of "Hong Kong property for Hong Kong residents", the Liberal Party called on the Government to build small-sized flats for young people who were ineligible for public housing application and might not be eligible for applying HOS flats. The property market is now dominated by luxurious apartments which are often 1 000 sq ft in size and there is hardly any small-sized apartments. I am not sure if the Secretary will repeat the same reply to Ms Miriam LAU in answering my supplementary question on part (b) of the main reply, saying that many small-sized flats can be supplied by public housing. But this is not what we ask for.

May I ask the Secretary whether he can undertake that when sites are auctioned for private property development, there will at least be a requirement for the construction of a larger percentage of residential flats with size restrictions so as to enable young people and middle-class low-income earners to purchase these small-sized flats?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, when I spoke just now, I have considered the small- and medium-sized flats supplied by public housing providers together with those supplied by private developers. It is because we have taken the demand on small- and medium-sized flats in society into consideration when we put forth the idea of restricting the minimum number of residential flats and the flat size to be built. Public housing providers are tasked with the duty to cater for the public's housing needs. Just as my reply to Ms LAU, the Government will closely monitor the development trend of the market and impose, when necessary, land sale conditions specifying the number of flats to be built and restrictions on flat size.

PRESIDENT (in Cantonese): Mr CHEUNG, has your supplementary question not been answered?

MR TOMMY CHEUNG (in Cantonese): *The Secretary has not answered my question. President, I have actually asked the Secretary ……*

PRESIDENT (in Cantonese): Mr CHEUNG, would you please repeat your supplementary question.

MR TOMMY CHEUNG (in Cantonese): …… *The property market in Hong Kong should have some flats with size restrictions, some small flats supplied by private developers ……*

PRESIDENT (in Cantonese): Mr CHEUNG, would you please repeat your supplementary question.

MR TOMMY CHEUNG (in Cantonese): …… *The Secretary did not answer whether the Government has a target. He should not shift the responsibility to the market and say nothing concrete in the end. What does it mean by the prevailing conditions of the market? The market now is simply out of balance ……*

PRESIDENT (in Cantonese): Mr CHEUNG, would you please repeat your supplementary question.

MR TOMMY CHEUNG (in Cantonese): *Here is my supplementary question. Will the Government set a target, requiring that a condition must be set out in future land sale exercises for the construction of residential flats with size restrictions? For example, at least 50% of the flats in a private residential building must be flats with size restrictions ……*

PRESIDENT (in Cantonese): You only need to repeat your supplementary question. Secretary, does the Government have a target set?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, we do not have a fixed target at present. However, as I have said, we will keep a close watch on the development of the market.

MR LEE WING-TAT (in Cantonese): *President, I have specifically looked up the part on the "Hong Kong property for Hong Kong residents" policy in the election platform of C Y LEUNG and I note that it is different from the Secretary's version which involves the HOS and Sandwich Class Housing Scheme. I hope that not so many people in the Government would keep distorting the election platform.*

President, regarding the idea of "Hong Kong property for Hong Kong residents", the Democratic Party has also put forth the same idea with the aim of restricting mainlanders from speculating in the Hong Kong property market. If they speculate on luxurious apartments, I wouldn't care less; but if they speculate on properties costing $5,000 per sq ft or $6,000 per sq ft, they will have an impact on the opportunities of local residents in home ownership.

The main problem now is that before C Y LEUNG assumed office, he had already repeatedly retracted from his promises. May I ask whether the property tycoons have already successfully persuaded Beijing and C Y LEUNG to stop the "Hong Kong property for Hong Kong residents" policy, thus mainlanders can continue to speculate on local properties and members of the public have to continue to face their difficulties in home ownership?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, let me reiterate that the "Hong Kong property for Hong Kong residents" policy remains an important factor that the Government would consider when it considers the development of the Hong Kong property market. Certainly, Hong Kong is a free market. We have not deliberately prevented non-Hong Kong residents from purchasing properties in Hong Kong. However, when local residents' opportunities of home ownership are seriously undermined by non-Hong Kong residents purchasing local properties, the Government will consider taking some measures to safeguard local residents' opportunities of home ownership.

MR CHAN KAM-LAM (in Cantonese): *President, the Secretary stated in part (a) of the main reply that members of the community wish to have a happy home and the Government is concerned about the difficulties faced by the grassroots in home ownership. Recently, the Secretary has frequently made district visits. We have also made district visits to listen to the views of local residents.*

May I ask the Secretary whether he is aware of calls from PRH tenants for reactivating the sale of PRH flats? As a matter of fact, people of the lower echelons earnestly wish to purchase the PRH flat they are currently living in. I wish to listen to the Secretary's view on this matter.

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, I have indeed visited different districts recently, and I am aware of enquires from PRH tenants on the possibility of re-launching the Tenants Purchase Scheme (TPS), so that tenants can purchase their own flats. Member may also be aware that since the launch of the TPS in 1998, there are now a total of 39 TPS estates in the territory where the estate tenants can purchase their own flats.

Since 2002, we have stopped increasing the number of TPS estates. One of the considerations is the prevailing market condition at that time. Besides, since the launch of the TPS, HA tenants and occupants who have already purchased their TPS flats may be living within the same block or the same estate, which sometimes may create some new management problems to us.

At present, as far as PRH tenants are concerned, first, they can still own a home by purchasing HOS flats or TPS flats (if applicable) from their respective secondary markets; and second, if they still live in one of the 39 TPS estates I just mentioned, they can also purchase their own flat.

MR RONNY TONG (in Cantonese): *President, the housing policy of the Government has been very confusing. The Government of the last term has introduced the MHPP. There are strong feedbacks in society. Some people recently even opined that the MHPP, which has not laid down a price ceiling on the property, may result in unfair treatment to the applicants.*

May I ask the Secretary, first, of the progress of the MHPP so far; and second, given that the MHPP is actually competing land resources with the PRH scheme or the HOS, and that the MHPP has received strong feedbacks from society and even criticism about applicants being unfairly treated, whether the Secretary can expeditiously clarify whether the MHPP will be axed, so that the resources can be allocated to the PRH scheme and HOS?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, in terms of public housing, the Government wishes to have a more specific hierarchy with the PRH scheme as the foundation, followed by the HOS and MHPP. Different schemes subsidize different echelons of people. At present, the HOS targets at households with a monthly income of $30,000 or below, while the MHPP is about $40,000.

Feedbacks from society on the MHPP are diverse because this is a newly-launched scheme. However, at present, we will stick to the original plan of launching the project at Tsing Luk Street, Tsing Yi as the first MHPP project. We are aware of the diverse views in society and we will carefully consider each of them, so that when we have gathered the experience from the first project at Tsing Luk Street, we will then proceed to optimize the MHPP.

MR RONNY TONG (in Cantonese): *The Secretary has not responded to the part on how satisfactory the Secretary finds the application status.*

PRESIDENT (in Cantonese): I do not think I have heard you ask about the application status just now.

MR RONNY TONG (in Cantonese): *President, I have. I asked about the progress of the MHPP. The Government has to assess how successful the MHPP is; and, I also raised the question of competition for land resources, asking whether the Government should try to strike a balance. I thus ask the Government to axe the MHPP. President, I may not have put myself across, but I did ask the first question.*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, applications will be invited for the first phase of the Tsing Luk Street project by the end of this year. We thus do not have any statistics on the application status at the moment, but I estimate that there should be many applications.

Regarding the second question, the Government does not have any plan to axe the MHPP at the moment. Nevertheless, different schemes will certainly compete for land resources as different schemes represent people with different housing needs. As the Government, we certainly need to strike a balance among different needs.

PRESIDENT (in Cantonese): There are still a number of Members waiting to ask questions, but we have already spent over 23 minutes on this question. Second question.

Prices of Domestic and Auto Liquefied Petroleum Gas

2. **MR TAM YIU-CHUNG** (in Cantonese): *President, some members of the public have reflected to me the inconsistencies in the retail price movements of domestic liquefied petroleum gas (LPG) and auto LPG on several occasions in the past three years, sending confusing messages to the market. In this connection, will the Government inform this Council:*

(a) whether it knows if LPG importers currently adopt the same mechanism in setting the retail prices of domestic LPG and auto LPG; if the same mechanism is adopted, of the details; if not, the reasons for that;

(b) whether the Government will adopt measures to urge LPG suppliers to standardize the retail pricing mechanism for domestic LPG and auto LPG; if it will, of the details; if not, the reasons for that; and

(c) whether the Government will strengthen the regulatory measures and enhance the transparency of the price information on domestic LPG to protect public interests; if it will, of the details; if not, the reasons for that?

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, Hong Kong's energy policy objectives are to ensure reliable and safe energy supplies at reasonable prices, whilst minimizing the environmental impact in the production and use of energy.

At present, the retail market of LPG mainly consists of domestic LPG and auto LPG. Amongst these, domestic LPG also comprises piped LPG supplied to housing estates and cylinder LPG distributed to consumers through retail operators.

Regarding the prices, a ceiling is set for the prices of auto LPG supplied by dedicated LPG filling stations in accordance with the provisions in the operation contract. In other cases, prices of LPG are determined by individual oil companies with regard to commercial principles and their operating costs. With understanding and concern about the impact of LPG prices on the general public, we encourage the industry to enhance the transparency of price setting mechanism in order to safeguard public interests.

The first part of the question raised by Mr TAM Yiu-chung involves the price setting mechanism of LPG. Regarding domestic LPG, one of the major LPG suppliers in Hong Kong has voluntarily adopted a price adjustment mechanism since 1999 to enhance transparency. Under this mechanism, the price of domestic LPG consists of two main components, that is, LPG import price and operating cost cum profit margin.

The LPG import price is adjusted once every three months (that is, by the end of January, April, July and October). Specifically, in setting the price for the coming three months, the company concerned forecasts the import prices for the coming three months in light of the latest international LPG price (that is, contract prices of LPG from Saudi Arabia), and makes positive or negative adjustment for any difference between the actual import prices and the forecast import prices in the last review. The operating costs will be reviewed once every year at end January.

The above price adjustment mechanism is applicable to both the retail prices of domestic piped LPG and the wholesale prices of cylinder LPG. After each price review, the company concerned will announce and explain to the public the outcome of the review.

We understand that the domestic LPG prices and adjustments of other oil companies in the market are basically the same as that of the above company.

Regarding auto LPG ceiling prices for dedicated LPG filling stations, they are set in accordance with the formula for the ceiling price and related adjustment mechanism as stipulated in the operation contract signed between the operators and the Government. Similar to domestic LPG, the ceiling price of auto LPG also consists of two components, that is international LPG price and operating cost. The part on international LPG price is adjusted in accordance with contract prices of LPG from Saudi Arabia in the last month, which movements are directly reflected in the retail price of dedicated filling stations. As for operating cost of LPG, it is based on the operating cost and profit margin put forward by the operators at the time of tender. Apart from the annual adjustment in line with the percentage change in the Composite Consumer Price Index, the LPG operating cost remains the same throughout the 21-year contract period. In addition to press release, the international LPG prices and the ceiling prices of dedicated filling stations are posted onto the website of the Electrical and Mechanical Services Department.

This shows that price adjustments to the LPG component for both domestic LPG and auto LPG in dedicated LPG filling stations make reference to the contract prices of LPG from Saudi Arabia. However, the adjustment cycle and the timing for making reference to relevant data are not exactly the same. Due to the differences in the market size, mode of operation and cost structure (including capital investment, storage, operation and maintenance cost) of domestic LPG and auto LPG, it is difficult to make direct comparison in the overall price of these two types of LPG.

Analyses of LPG price changes in the past three years show that the annual average international LPG prices and LPG import prices in 2011 increased by 67% and 64% respectively as compared with those in 2009; while domestic piped LPG and auto LPG increased by 28% and 56% respectively over the same period. If we compare the five-month average of January to May 2012 with the annual average of 2009, international LPG prices and LPG import prices increased by 94% and 87% respectively, while domestic piped LPG and auto LPG increase by 35% and 74% respectively.

On the second part of the question, as I have just mentioned, prices of domestic LPG are determined by individual oil companies with regard to commercial principles and their operating costs, whereas the ceiling prices of dedicated filling stations are set in accordance with the formula for the ceiling price and related adjustment mechanism as stipulated in the operation contract signed between the operators and the Government. As both of them make reference to the contract prices of LPG from Saudi Arabia, there is already a certain degree of objectivity. In addition, these two types of LPG have different consumers and modes of operation. We therefore do not see a need to rigidly align their adjustment mechanisms.

On the third part of the question, at present, the prices of domestic LPG are adjusted once every three months, mainly with reference to the contract prices of LPG from Saudi Arabia. The related changes are posted onto the website of the Electrical and Mechanical Services Department on a regular basis. We consider that the existing price adjustment mechanism is transparent, and that there is no phenomenon of price "fast going up and slow coming down".

Besides, as we understand, most oil companies issue press release every time before domestic LPG prices are adjusted, while at the same time consumers are also informed of the price adjustment through the LPG operators of the housing estates and property management companies. We will continue to liaise with oil companies to explore ways to enhance price transparency.

In monitoring domestic LPG prices, we will continue to make reference to the movement of international LPG prices and local LPG import prices and check whether the oil company's price forecasts are reasonable. We will also follow up with the oil company the price adjustments due to actual and forecast price difference in the last review, and assess if the annual adjustment in operating cost is reasonable.

We will further liaise with oil companies and endeavour to enhance price transparency of domestic LPG to safeguard the interests of consumers.

MR TAM YIU-CHUNG (in Cantonese): *President, fuel prices affect most households. Given that fuel gas is supplied through central piping systems in all large residential estates and public housing estates, members of the public have no choice at all. Whether they use LPG or Towngas depends on which one is*

supplied in their residential estates. However, many residents relayed to us that they found the costs of LPG ever-increasing as shown in the domestic LPG bills. Moreover, they found, in many cases, a difference between the prices of auto LPG and domestic LPG when making a comparison between the two.

Certainly, as the Secretary has explained earlier on, it is difficult to make direct comparison between the prices of the two types of LPG. Yet, the public may still question if regulation by the Government in this regard is adequate although the Secretary has already explained that the authorities will check whether the requests made by oil companies are proper with reference to the rate of increase of international LPG price and assess if the adjustment in operating cost is reasonable.

Apart from the international LPG prices, which are evidence-based, I wonder if the Government's effort in regulating local operating cost cum profit margin is adequate. Will the Secretary further elucidate this point?

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, we are very concerned with the entire monitoring regime, of course. We will meet with LPG suppliers on a regular basis to review and forecast information in this regard.

Regarding the costing of LPG, we make reference to the movements of international LPG prices, that is, contract prices of LPG from Saudi Arabia, and local LPG import prices, to check whether the oil company's price forecasts are reasonable. We will perform gate-keeping properly in this regard. We will also follow up with the oil company the price adjustments due to the discrepancy between actual and forecast price in the last review to assess if the right adjustment has been made accordingly. We are very concerned with the situation.

Concerning the operating cost, we will monitor and check if the adjustment made by the oil company is reasonable. Figures indicate that the overall rates of adjustment to the operating cost and prices by oil companies over the past few years were lower than inflation, meaning that the rates of increase in their operating cost were lower than the inflation in Hong Kong. Hence, based on such information, we opine that the prices were at reasonable levels over the past.

MR WONG KWOK-KIN (in Cantonese): *President, I noticed some strange figures in the Secretary's main reply. As we understand it, both domestic LPG and auto LPG are LPG. However, as to the figures I now see, such as those in the comparison drawn between 2011 and 2009, the price of domestic piped LPG rose by 28% while that of auto LPG was up by 56%, with import price being the same. The price of domestic piped LPG increased by 35% whereas that of auto LPG shot up by 74% during the period between January and May 2012, with the same import price. I wish to ask the Secretary why there were such large price gaps. Was it due to the fact that there were substitutes for domestic LPG like electrical power so that the LPG suppliers dared not drastically adjust upwards the domestic LPG prices, while there was no substitute for auto LPG, which is the only choice for its users, so that the rate of increase of its price is relatively higher? Has the Government ever contemplated to take a fairer or more balanced approach? At present, taxi and public light bus drivers as well as drivers of other vehicles are crying out with a lot of grievances as the price of LPG keeps soaring while some members of the trade want to propose to the Government the imposition of surcharge on LPG. Why that there were such large gaps between the rates of increase in LPG prices? I hope the Government can give a clear reply to this question.*

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, I think everyone is concerned about the society's understanding of the price adjustment mechanism. As I pointed out just now, the pricing mechanism for domestic LPG is very much different from that of auto LPG. Let me explain this in greater detail. The price of domestic LPG consists of two elements, namely the fuel price and the operating cost. We all understand that the operation of domestic LPG supply entails a number of facilities, such as installations, pipes, maintenance service, and so on. All these are major components. As for auto LPG, capital investment in the infrastructure is relatively smaller since consumers will drive to dedicated LPG filling stations for refilling. Meanwhile, the main factor affecting the price of LPG is the import prices of fuel. Therefore, different mechanisms are adopted to cope with different situations. This is the fact, and therefore it is impossible to make direct comparison in the pricing mechanisms of these two types of LPG.

Of course, we understand everyone is concerned about the prices. Our colleagues will follow up the issue.

PRESIDENT (in Cantonese): Mr WONG, has your supplementary question not been answered? The Secretary has answered it.

MR WONG KWOK-KIN (in Cantonese): *My supplementary question is about the difference between the rates of increase in prices, not the difference between prices. Given the same import price, why was there such a large gap between the rates of increase in the retail prices of LPG?*

PRESIDENT (in Cantonese): The Secretary has answered it.

MR WONG KWOK-KIN (in Cantonese): *I opine that the Secretary has not answered my supplementary question yet.*

PRESIDENT (in Cantonese): The Secretary has answered it.

MR IP WAI-MING (in Cantonese): *President, I wish to raise a question in connection with the Secretary's main reply. Currently, the price of domestic LPG has been hiking rapidly and we have received complaints from members of the public, such as the residents of Kwong Fuk Estate in Tai Po, saying that the price of domestic LPG is very expensive as the rate of increase in its price is getting sharper and sharper. Moreover, they are under constraints because LPG supply is an infrastructure of the housing estate where no substitute is available and they have to use it. Will the Secretary come up with a solution to offer them some help in this regard or provide substitutes for them so that they will have other choices?*

President, there is another issue. The Government points out in the main reply that, as in the case of dedicated LPG filling stations, prices of auto LPG are set in accordance with the formula for the upper and lower limits of prices, as well as the adjustment mechanism stipulated in the operation contract signed between the operators and the Government. However, it seems that such an arrangement has not been made for domestic LPG supply. I wish to know if the Secretary or the Government will introduce a formula for a price ceiling of

domestic LPG so as to set both the upper and lower limits of price for domestic LPG, with a view to ensuring affordable LPG prices for the public? Will the affordability of the public be given due consideration when the relevant terms are set?

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, according to my understanding, Kwong Fuk Estate is one of the public housing estates which supply domestic piped LPG. The Hong Kong Housing Authority did have reasons to adopt centralized LPG supply in these housing estates while they were under construction. It had considered different factors in deciding which types of fuel gas could be supplied to respective housing estates, including the availability of Towngas connection system within the estates concerned. Factors were considered on a case-by-case basis, of course. Once domestic piped LPG supply is in place, making changes will become a rather complicated issue as many supporting facilities have been installed in the estate for that purpose. In the long run, however, given the time limit of the contract period, there are still options for adjustment upon expiry of the contract.

The second issue is about domestic LPG. Is it necessary to set a price ceiling with reference to the approach adopted for dedicated LPG filling stations? This issue involves historical factors. To encourage the use of environmentally friendly fuel by taxi and public light bus drivers in those years, the Government exempted the designated LPG stations from paying any land premium while reaching an agreement on the LPG pricing mechanism with some operators. It was a special arrangement made against such historical background. On other fronts, we encourage commercial operation in a free market environment and will enhance transparency so that the public can compare the prices. Hence, there is no option in place to implement the same pricing mechanism for the two types of LPG.

MR IP WAI-MING (in Cantonese): *President, I want the Secretary to make it clear whether the Government will definitely not implement a pricing mechanism to limit the price ceiling of domestic LPG at an affordable level. I have stated my question clearly but I do not hear any affirmative reply from the Secretary.*

PRESIDENT (in Cantonese): The Secretary has answered it. Secretary, our Member said he did not hear you. Would you please explain more clearly?

SECRETARY FOR THE ENVIRONMENT (in Cantonese): Yes, President. I have already answered it. Apart from the historical factor behind adopting formula for setting the price ceiling by the dedicated LPG filling stations which I mentioned just now, we will allow all businesses to operate in a free market environment as far as possible at the present stage. We will keep an eye on the operators while enhancing market transparency. This is the attitude of the Government at present. Surely we pay heed to views from the Members as well as the public and conduct reviews in the future if necessary.

MR RONNY TONG (in Cantonese): *President, there are only three LPG suppliers in Hong Kong altogether. The public's query on LPG prices reveals that there may be something wrong with the market competition. Primarily, I want to ask the Secretary whether the Government has any plan to conduct studies and surveys to find out if the LPG market is competitive enough. Will the Government consider bringing in new competitors to boost market competition so that the public will benefit?*

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, thanks for Mr TONG's supplementary question. As Mr TONG has said, there are three major LPG suppliers at present. However, we have offered choices other than domestic LPG, such as Towngas and electricity, to cater for demands in various sectors. We noticed that there is sufficient competition in the market. Of course, we do encourage competition of various degrees. Any LPG supplier who wishes to gain entry into the Hong Kong market is welcome as competition will increase then. On the whole, we opine that the degree of competition is sufficient but we also welcome more transparency and keener competition as well.

MR RONNY TONG (in Cantonese): *Will competition be brought in?*

PRESIDENT (in Cantonese): I did not hear your supplementary question.

MR RONNY TONG (in Cantonese): *Does the Secretary's reply mean that new competitors will not be brought in?*

PRESIDENT (in Cantonese): Secretary, do you have anything to add?

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, as I have pointed out earlier, we have maintained an open-minded attitude and welcome new entrants to the market and take part in fair competition. This is the attitude of the Government.

MR IP KWOK-HIM (in Cantonese): *President, the Secretary has stated clearly in his main reply that there are two factors affecting the retail prices of both the domestic LPG and the auto LPG, namely the international LPG import price and the operating cost. As for the operating cost, it is based on the operating cost cum profit margin put forward by the operators at the time of tender.*

I want to ask the Secretary a question. The current tenancy clauses of many dedicated LPG filling stations supplying auto LPG are related to this, which is also included in the operating cost, I believe. However, since the price of some LPG stations is very low, or that the retail price offered by LPG filling stations is lower, there are long queues of taxis waiting for refilling at those stations during the handover hours of taxis. This has affected the normal operation of taxi service, resulting in taxi service interruptions and impeded traffic flow. Has the Government conducted any review on the tenancy clauses in respect of operating cost so as to solve such a serious problem?

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, as this issue involves other Bureaux/Departments, I think we can relay the matters to relevant Bureaux. Basically, we respect the spirit of contract and will continue to keep an eye on these matters.

MR CHAN HAK-KAN (in Cantonese): *President, I held a residents' forum in Tai Po at dinner time last night. I was told by many kaifongs that the price of LPG is very high, and it goes up in successive price hikes at a speed much faster than the inflation rate. However, they have no idea why the price keeps going up, giving them the feeling of being exploited. Although the Secretary said that there was a voluntary price adjustment mechanism for the LPG suppliers, I would like to ask the Secretary whether he will take the initiative to launch investigation if he finds any problem with this mechanism, such as the phenomenon of the price "going up fast but coming down slowly"? Will you require the LPG suppliers to refund the household users if the price is found to be "going up fast but coming down slowly"? In addition, will you ask the suppliers to lower the price?*

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, this supplementary question is about domestic LPG. In the first place, we will discuss with the Consumer Council and other related bodies on ways to enhance market transparency and make improvements proactively whenever possible. In the meantime, our staff play an active role in monitoring the price movements and will certainly follow up if the price is "going up fast but coming down slowly". Yet, such a phenomenon did not exist according to past figures.

PRESIDENT (in Cantonese): Which part of your supplementary question has not been answered?

MR CHAN HAK-KAN (in Cantonese): *President, my question is: will the users be refunded if there exists the phenomenon of the price "going up fast but coming down slowly"? He has not answered this yet.*

PRESIDENT (in Cantonese): Secretary, do you have anything to add to this point?

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, according to my understanding, this has never happened before. The adjustment of the price of domestic LPG is based on a mechanism voluntarily adopted by the

LPG operators. This mechanism is implemented for the facilitation of commercial operation. If the phenomenon of the price "going up fast and coming down slowly" appears, the Government and related bodies will follow up the case. Yet, we should understand that the principle is based on commercial operation.

PRESIDENT (in Cantonese): This Council has spent more than 24 minutes on this question. The third question.

Operation of Hong Kong Girl Guides Association

3. **MR LEUNG KWOK-HUNG** (in Cantonese): *President, the Hong Kong Girl Guides Association (the Association) is a statutory body established under the Hong Kong Girl Guides Association Ordinance. I have uncovered that the statement issued by the Association on 16 September 2010 through the media stating that "the sale of raffle tickets had been conducted for more than 20 years and the percentage of refund to its units had never been in the region of 50%" was not true. I further uncovered in 2010 that the President of the Association had breached the regulations in appointing the Hong Kong's Chief Commissioner of the Association. I raised a question on the aforesaid issues on 27 June this year, but some parents, unit guiders and staff members of the Association have relayed to me that the reply of the Secretary for Home Affairs to my question paid no regard to the situation that while all girl guides in Hong Kong are endeavouring to sell raffle tickets on the streets, the Association "fattens the top and thins the bottom" and cuts the raffle refund, resulting in insufficient funding for its units, and the Association has also hosted banquets with tens of tables either in hotels or in the Hong Kong Convention and Exhibition Centre (HKCEC) for its annual general meetings (AGMs). In this connection, will the Government inform this Council:*

(a) whether it will request the Association to immediately revert the percentage of raffle refund to the previous percentage of 50%, starting from the sale of the 1 001st ticket by each unit; if it will, when it will be put into effect; if not, the reasons for that; given that a decrease in the refund percentage means an increase in the Association's proceeds, whether it will reduce the recurrent

subvention to the Association according to the increase in its proceeds;

(b) if it knows whether at present the post of Chief Executive of the Association must be taken up by a university degree holder; if so, of the reasons why the Secretary for Home Affairs, in his reply to my question raised on 27 June this year about the Association's appointment of a person with only secondary education as its Chief Executive, pointed out that no specific requirements on the academic qualifications of the Association's Chief Executive were set out in the relevant Ordinance, the Constitution of the Association or its internal rules; if not, of the reasons why the Secretary for Home Affairs, in his reply to my question raised on 27 October 2010, pointed out that according to the information provided by the Association, possession of a degree was one of the entry requirements; whether the incumbent Chief Executive of the Association is a university degree holder, the university from which she graduated and the year of graduation; whether the Secretary for Home Affairs will take up the responsibility and step down for his failure in properly monitoring the Association; and

(c) given that the Association is able to solicit sponsorships to host banquets with tens of tables either in hotels or in HKCEC for its AGMs, whether the Government should immediately reduce the recurrent subvention to the Association by the same amount of the expenditure on the AGMs so as to use public funds effectively and establish an image of thrift for charities?

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, the Association is an independent statutory non-governmental organization. It operates according to the legislation, its constitution and internal rules. The Government respects its independence. The Home Affairs Bureau provides subvention for its youth development activities. My reply to the three parts of the question raised by Mr LEUNG Kwok-hung is as follows:

(a) As indicated in our written replies to the questions raised by Mr LEUNG at the Legislative Council meetings on 27 October 2010,

27 June and 4 July 2012, the fund-raising activities of the Association are its internal matters with which we have no intention to interfere. According to the Association, the system and percentage of refund will be adjusted in response to the Association's overall needs. The Association stated that the refund of raffles ticket sale is only a token of encouragement to the units for their participation in the activity and it only serves as resources in addition to their basic operational funding. The operation of the units does not solely rely on the raffle refund and the units may seek funding from the Association as and when there are further needs.

(b) The appointment of the Association's personnel is the internal matter of the Association. According to the information provided by the Association, no specific requirements on the academic qualifications of its Chief Executive are set out in the Hong Kong Girl Guides Association Ordinance, its constitution or internal rules. The above information has been relayed in our written reply at the Legislative Council meeting on 27 June 2012. However, given the recruitment of the Association's personnel is the internal matter of the Association, it is normal for the Association to set out its requirements for recruiting the Chief Executive in view of its operational needs. In our written reply at the Legislative Council meeting on 27 October 2010, we have also relayed the information provided by the Association, stating that one of the recruitment requirements of the Chief Executive shall be, *inter alia*, a university graduate. Our two replies above are not contradictory.

The detailed academic qualifications of the incumbent Chief Executive, as enquired by Mr LEUNG, are personal particulars protected by the Personal Data (Privacy) Ordinance. The data subject has indicated to us her disagreement to such a disclosure of relevant particulars in response to a Member's enquiry in this case.

(c) In our written replies at the Legislative Council meetings on 27 June and 4 July 2012, we have already pointed out that the holding of AGMs and dinner parties of the Association is its internal matter. The expenditure of such dinner parties, as indicated by the Association, is either borne by participants of the event or other

sponsors. Neither the Association's daily operational fund nor public money is involved. The sum of money raised will be used by the Association on Girl Guides development and for organizing activities. Since the Association is an independent non-governmental organization, the Government has no intention to interfere with its internal matters. Nor will our subvention to its youth development activities be affected by its fund-raising approach.

MR LEUNG KWOK-HUNG (in Cantonese): *President, in a word, the Association is a statutory body established under the Hong Kong Girl Guides Association Ordinance. Regardless of whether the Government has provided it with subvention, it has the duty to exercise regulation under this ordinance. The Secretary said that what I asked was its internal matters. Of course I understand this point. However, in modern society, a statutory body should have a definite constitution and system by which it is bound. We cannot just say that there are internal rules. I consider that being the Secretary for Home Affairs, the Secretary should continue following up the situation I brought up so that members of the public who have entrusted me with the question will know more about the issue. Just now the Secretary mentioned that the Association regarded the percentage of raffle refund as its internal matter. May I ask the Secretary whether he regards this as reasonable? Will he impose a certain requirement on the percentage of raffle refund within his term of office so as to eliminate favouritism in statutory bodies?*

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, the Home Affairs Bureau provides subvention to various uniformed groups in Hong Kong to promote all-round development for teenagers in Hong Kong. While we subsidize nearly 10 uniformed groups, the Association alone has particularly aroused Mr LEUNG's concern. The Association is a statutory body whose regulations and constitution are open and transparent. The relevant regulations and constitution are available on the Internet.

As for whether the Home Affairs Bureau should absolutely play a leading role and take charge of the internal operations of those organizations receiving its subvention, we believe we should respect the right of autonomy of the subvented

organizations, including the holding of activities such as raffle ticket sale which falls under the business of these organizations. So far we have not heard of any complaints covering the issue of the percentage of raffle refund mentioned by Mr LEUNG. Hence, there is no question of what is called favouritism involved in the Association in this regard.

PRESIDENT (in Cantonese): Mr LEUNG, has your supplementary question not been answered?

MR LEUNG KWOK-HUNG (in Cantonese): *Will the Secretary follow up and formulate requirements relating to raffle refund? Actually my question is not directed against the Association alone. That is, after raffle tickets are sold, will the refund ……*

PRESIDENT (in Cantonese): Mr LEUNG, are you asking the Secretary whether the Home Affairs Bureau will prescribe the purpose of the funds raised if the organizations receiving its subvention sell raffle tickets to raise funds? Secretary, please.

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, this is an internal matter of the uniformed groups. We will not prescribe their percentage of refund.

MR LEE CHEUK-YAN (in Cantonese): *Having listened to the Secretary's reply, I still do not quite understand whether the Home Affairs Bureau has no part to play in exercising regulation over subvented uniformed groups. For instance, recently they held a premiere, and they indicated in the fund-raising letter that Mrs LEUNG had been invited, but actually Mrs LEUNG did not consent to attend it, and she had told their organizing committee that she would not attend it. However, it was written in the fund-raising letter that she "had been invited" — not that she "had accepted the invitation". It was kind of trickery with words. The fund-raising letter indicated that Mrs LEUNG had been invited, misleading the sponsors into thinking that Mrs LEUNG would show*

up. I wonder if the people want to get close to Mrs LEUNG now because they all want to flatter her.

Does the Administration pay no attention to this kind of problems at all? In part (b) of the main reply, the Administration states that it is not concerned with the Chief Executive's academic qualifications. The Government indicates that this is her privacy, but we are not probing into her privacy. We just want to know if the Chief Executive satisfies the recruitment requirement of being a university graduate. Could the Secretary tell us if she satisfies this requirement?

President, my supplementary question is, the Home Affairs Bureau does not seem to have any regulatory duty at all. In that case, why does it provide subvention to these organizations? If subvention is provided, regulation will have to be exercised ……

PRESIDENT (in Cantonese): Mr LEE, you have raised a number of questions. Please repeat the supplementary question which you would like to raise.

MR LEE CHEUK-YAN (in Cantonese): *My supplementary question is very simple. Do the Home Affairs Bureau's regulatory duties include ensuring that the Chief Executive satisfies the recruitment requirement of being a university graduate, and that Mrs LEUNG's name will not be brought up to mislead donors? May I ask the Secretary if these matters are covered under the Home Affairs Bureau's regulation?*

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, the Home Affairs Bureau's main regulatory duty is to oversee whether the uniformed groups receiving public subvention from the Home Affairs Bureau can meet our requirements in their use of the public funds, which means whether they can genuinely assist in youth development. At present, the Association has more than 40 000 members in Hong Kong, involving a large group of parents. We consider that the activities promoted by the Association all along can meet our requirements on activities subsidized with public funds.

What approach is adopted in their fund-raising activities, such as dinner parties or film shows, does not fall under our scope of regulation.

In my main reply, I have also mentioned that there is no requirement on the academic qualifications of the Association's Chief Executive in its constitution. Of course, when they conduct open recruitment, it is natural and reasonable for them to set out a series of requirements for such recruitment exercise.

MR PAUL TSE (in Cantonese): *President, Mr LEUNG Kwok-hung has raised questions about the Association four times in two years. It really seems kind of his favourite. Nevertheless, I appreciate where the core problem lies. President, we understand that the Association is subsidized greatly with the allocation of land, for which some Honourable colleagues have been highly concerned, and its operational funding is also subsidized with public funds every year.*

I would like to ask the Secretary, apart from the allocation of funds, what concrete and feasible mechanism has the Administration put in place to practically regulate all — not only the Association, but all organizations receiving public subvention, including those which have substantially benefited from subsidization of land resources. For example, these organizations are statutory bodies. Even if the Audit Commission cannot conduct investigation, can the subvented organizations concerned be required, as in the case of the Travel Industry Council, to provide some kind of audit report prepared by a private auditor as one of the conditions for the Administration's allocation of funds or provision of land subsidy?

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, at present, the subvented organizations, including the Association, are submitting their annual reports, as well as audited financial reports, to the Home Affairs Bureau for scrutiny.

MR PAUL TSE (in Cantonese): *Not the ordinary auditors' report ……*

PRESIDENT (in Cantonese): Please repeat your supplementary question.

MR PAUL TSE (in Cantonese): …… *instead, it is a value-for-money report, the type of audit report which studies whether something is worthwhile, whether the expenditure has exceeded the budget or whether money has been spent extravagantly.*

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, since uniformed groups, including the Association, receive public subvention, I believe the Director of Audit will, where necessary, discharge his auditing duty according to urgency and priority.

DR LAM TAI-FAI (in Cantonese): *President, as mentioned by Mr Paul TSE, Mr LEUNG Kwok-hung has repeatedly raised oral questions about the Association, yet I found the question put on each occasion to be the same old platitude with no new ideas. Of course, there is not much that the Secretary can answer.*

I would like the Secretary to note that Mr LEUNG mentioned in his main question: "the Association 'fattens the top and thins the bottom' and cuts the raffle refund, resulting in insufficient funding for its units". If that is not the case for the Association, I hope the Secretary will clear the Association's name. If that is the case, I also hope that the Secretary will point it out so that the Association can make improvement.

Did the Association actually "fatten the top and thin the bottom" as mentioned by Mr LEUNG Kwok-hung? In this regard, it is necessary to wait for the Secretary's investigation in order to know the answer. If the investigation reveals that it did not "fatten the top and thin the bottom", I think we should be told about that clearly because the Association has a lot of members whose respect for the Association will vary accordingly. Thus the Secretary should investigate whether it has "fattened the top and thinned the bottom".

SECRETARY FOR HOME AFFAIRS (in Cantonese): I find the remark that it "fattens the top and thins the bottom" unfair. As I have said in my main reply,

the funding from the sales of raffle tickets actually accounts for only a small portion of the funding for each unit. If the funding for the units is insufficient, the Association will provide actual financial assistance.

The Association has currently developed up to almost 1 000 units. A number of schools have participated in the Association's activities, and it has more than 40 000 members. In fact, we did not find any accusation about "fattening the top and thinning the bottom".

PRESIDENT (in Cantonese): Mr Paul TSE, this is your second supplementary question.

(Mr LEUNG Kwok-hung stood up)

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, what is your point?

MR LEUNG KWOK-HUNG (in Cantonese): *Dr LAM Tai-fai has just invited the Secretary to comment on the oral question raised by me. President, do not worry. I just want to raise a point of order.*

PRESIDENT (in Cantonese): What is your point of order?

MR LEUNG KWOK-HUNG (in Cantonese): *Can I bring it up? If the answer is no, I will not go on.*

PRESIDENT (in Cantonese): What is the point of order that you want to raise?

MR LEUNG KWOK-HUNG (in Cantonese): *Since Dr LAM Tai-fai has invited the Secretary to comment on what I said, I would like to consult you whether I can make any declaration or clarification in this regard at the present stage or afterwards? If I cannot do so, never mind. If I can, that is fine.*

PRESIDENT (in Cantonese): We do not have such rules. If you have any more supplementary question, you can wait for your turn to ask again.

Mr Paul TSE, this is your second supplementary question.

MR PAUL TSE (in Cantonese): *President, I would like to know, regarding the relevant accusation or description, what investigatory measures will the Administration usually adopt? Will it simply say that since those are private organizations, the Government will not interfere, and that is all? Or will it respond only after conducting more objective and in-depth investigation?*

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, of course we need to look at the subject and the actual nature of the accusation. Speaking on the question raised by Mr LEUNG this time, the question involves the percentage of refund in raffle ticket sales. We have conducted an investigation on this percentage and examined whether the actual percentage has been particularly adjusted downward or upward. We have inquired of the Association about this. After the inquiry, we do not think that there were situations where money had been especially docked, nor had the interests of the units been undermined.

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, this is your second supplementary question.

MR LEUNG KWOK-HUNG (in Cantonese): *President, the term "fattening the top and thinning the bottom" mentioned by me is a descriptive term. I would like to ask the Secretary a question. Originally there was a conventional mechanism. In China, it is known as the "unspoken rule". The unspoken rule, which is part of the rules, is to refund 50% to the units. However, that is not the case at present. Funding for the units will, as a matter of course, be reduced. Activities organized by the Association, however, have become increasingly extravagant. Its executive's remuneration even allows a secondary school graduate to receive the salary of a university graduate. The Secretary does not consider this as "fattening the top and thinning the bottom". Then what is it?*

If the Secretary does not consider this "fattening the top and thinning the bottom", will he please give a term to describe it?

Since Dr LAM Tai-fai …… President, I am a fair person. Since Dr LAM Tai-fai could invite Secretary TSANG Tak-sing to give a comment, may I ask Secretary TSANG Tak-sing, is this similar to the situation where "the front-line troops are tense while the backup troops only dance"? It is like a battle. The front-line troops are fighting fiercely, but the backup troops lose no time to enjoy themselves ……

PRESIDENT (in Cantonese): Mr LEUNG, please sit down if you have already raised your supplementary question.

MR LEUNG KWOK-HUNG (in Cantonese): *I want him to comment if that is the case.*

PRESIDENT (in Cantonese): The supplementary question put by Dr LAM Tai-fai just now was very clear. He asked if the Secretary considered that there was the situation of fattening the top and thinning the bottom in the Association, and the Secretary has already replied. Now you have raised your supplementary question. Let me ask the Secretary to reply.

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, as I have said in my main reply on the fund-raising approach as well as the expenditure, the relevant expenditure is not paid by the Association's operational fund. When they raise funds by way of dinner parties, the expenditure for the fund-raising events are borne by the participants and the sponsors. The Association's daily operational fund is not involved.

PRESIDENT (in Cantonese): We have spent more than 23 minutes on this question. Fourth question.

Appointment of Director of Audit

4. **MR ALAN LEONG** (in Cantonese): *President, the principal officials in the Government of the new term have assumed office, and it has been reported that among such officials, a person who has close relationship with the Chief Executive has been appointed the Director of Audit (the Director), and this arrangement differs from the previous arrangement of appointing experienced civil servants or promoting officials in the Audit Commission (the Commission) to take up the post of the Director. It has also been reported that the incumbent Director, after assuming office as the Chairman and Managing Partner of Ernst & Young (EY) Far East Area and Greater China in late 2005, had been involved in two audit negligence cases, including a report issued by EY in 2006 indicating that the aggregate amount of potential bad loans of commercial banks in China had reached US$900 billion, of which the People's Bank of China severely refuted, and EY subsequently withdrew the report. In addition, EY was drawn into an incident relating to the liquidation of Akai Holdings (Akai) in 2009, in which Akai filed an accusation of default and negligence and lodged a substantial amount of claim against EY, alleging the accountant's failure to discharge its responsibility as a professional accountant to issue early warnings against the problems in the company's accounts, and the Director even took part in the auditing work on Akai at that time. In this connection, will the Government inform this Council:*

(a) given that the Director is the external auditor of the accounts of the Government with wide powers under the Audit Ordinance, the Director has to be familiar with the Government's operation and maintain political neutrality, and the previous two Directors after the reunification were either an experienced official in the Commission or an experienced civil servant, of the justifications for the Government to appoint a person not from the Government to take up the office of the Director at present; whether it has assessed the impact of the appointment on the work of the Commission in the future; if it has, of the details; if not, the reasons for that;

(b) as the incumbent Director had been involved in two incidents of audit negligence during his employment with EY, of the result of the Government's integrity checking on the Director; whether the Government has assessed if his appointment will undermine the

Commission's credibility; if it has, of the details; if not, the reason for that; and

(c) given that it has been reported that the two Commissioners of Audit in Macao after the reunification were both officials who had joined the local government for years, the incumbent and the previous two Auditor-Generals in Taiwan have served in the National Audit Office for years, the Comptroller General of the United States of the United States Government Accountability Office currently responsible for national auditing work has also served in the Office for years, and these examples from other places illustrated that heads of audit departments are rarely persons without government experience "parachuted" from the commercial sector, whether the Government has studied the relevant appointment arrangements in other places before the appointment of the incumbent Director; if it has, of the details; if not, the reasons for that?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, Article 58 of the Basic Law stipulates that "a Commission of Audit shall be established in the Hong Kong Special Administrative Region. It shall function independently and be accountable to the Chief Executive." Section 9 of the Audit Ordinance further stipulates that "in the performance of his duties and the exercise of his powers under this Ordinance the Director shall not be subject to the direction or control of any other person or authority". These show that the independence of the Commission is protected by the law.

Having considered the statutory functions of the Commission as well as the professional qualification, management ability and integrity required of the Director, the Chief Executive considers Mr SUN Tak-kei David a suitable candidate for the appointment. The Central People's Government, based on the nomination of the Chief Executive, has appointed Mr SUN Tak-kei David as the Director of the fourth term of the Special Administrative Region Government. Like other principal officials, Mr SUN has gone through and passed the extended checking before assuming the post.

The Director must comply with all relevant legislation, including the Audit Ordinance, the Prevention of Bribery Ordinance and the Official Secrets

Ordinance, during his term of office and when he discharges his duties. Section 4 of the Audit Ordinance, in particular, clearly stipulates that "a person who is appointed as the Director shall hold that office during good behavior", failing which he may be dismissed or be required to retire from that office.

While the incumbent Director is appointed on non-civil service terms, the contract clearly stipulates that the appointed person must comply with the Civil Service Regulations, uphold the rule of law, keep honesty and integrity above private interests, maintain political neutrality and impartiality in the execution of public functions and show dedication in serving the community. On matters such as avoidance of conflict of interests, acceptance of advantages and entertainment and declaration of private investment, the incumbent Director must also comply with the Civil Service Regulations and the guidelines stipulated in the relevant circulars.

The Commission has also laid down a detailed internal Audit Manual which prescribes the professional and ethical standards of its staff, including the Director himself. The Director and his staff are required to uphold a high standard of integrity and conduct in discharging their duties and firmly adhere to a set of core values including professionalism, probity, objectivity and independence.

Besides, the Commission's work is subject to the monitoring of the Legislative Council and the public. Each year the Commission regularly submits its audit report on government accounts and value-for-money study reports to the Legislative Council. The Director will attend relevant meetings of the Legislative Council in person to assist Members in considering the reports. These reports allow Members of the Legislative Council and the public to directly monitor the work of the Commission, thereby ensuring its neutrality in operation and impartiality in monitoring the work of the Government.

MR ALAN LEONG (in Cantonese): *President, while the performance of officials of Donald TSANG's government was always under par in terms of answering oral questions in the Council, this reply given by LEUNG Chun-ying's government to my oral question is even more shocking. This may well be a classic negative example of "sidestepping a question".*

President, my main question is divided into three parts. As you can see, the question in part (a) is whether the present arrangement has breached the conventional practice adopted since the reunification; in part (b), whether the integrity checking on Mr SUN Tak-kei covered the two negligence cases during his employment with EY; and in part (c), whether overseas experience in the appointment of heads of audit departments has been studied. However, does any sentence or paragraph in the Secretary's main reply answer the three parts of my question as just mentioned?

President, having read through the main reply, I want to give the Secretary another chance to reply because as far as I can understand, the answer is simply that, "This is what LEUNG Chun-ying wants, so what?" That seems to be the ultimate explanation. If that is not the case, I want to give the Secretary another chance to reply to my question on behalf of LEUNG Chun-ying's government.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, I have already answered the Member's question. If asked to answer it again, I can only repeat what I have said. Is that the reply Mr LEONG wants? I have already answered the question.

MR ALBERT HO (in Cantonese): *President, I think all Members present have listened to the Secretary's reply with their own common sense. And as Mr Alan LEONG has said, this reply is indeed shocking because it is blatantly clear that the Secretary is avoiding the question. I wonder whether it is because LEUNG Chun-ying's government has taught him the sham-art of "spinning" questions.*

Now I have a question for the Secretary. As he does not want to answer the question part-by-part, I would like to ask him why the Government breaches the long-established convention and make no reference to the overseas examples just cited by Mr Alan LEONG in the process, as it should follow the established convention proven to be respected in overseas countries by selecting candidates from amongst civil servants who are experienced or approaching retirement, or even following the past practice of appointing the Director through internal promotion in the Commission. The performance of the former Director, Mr TANG Kwok-bun, has been outstanding, and his several predecessors have also achieved remarkable results in their work. But now, a person plagued by

lawsuits has been appointed to the post. Perhaps LEUNG Chun-ying sees no problem with this appointment because he himself also gets involved in unauthorized building works (UBWs). Hence, it does not matter even if the Director is plagued by lawsuits ……

PRESIDENT (in Cantonese): Mr HO, please stop making statements.

MR ALBERT HO (in Cantonese): *…… But I want to ask the Secretary why the Government breaks the tradition? Can the Government make these underhand dealings simply because of their personal relationship?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): First of all, I think the Member's statement about "plagued by lawsuits" is not true. In fact, the post of the Director can be filled by a civil servant or a non-civil servant. While Mr HO just expressed deep appreciation for the former Director, Mr TANG Kwok-wai, I recall that in 2003, an oral question has been asked in the Legislative Council as to why a senior Administrative Officer was appointed as the Director, and whether such an appointment would give rise to potential favouritism.

Hence, insofar as this matter is concerned, we believe that regardless of whether the post is filled by a civil servant or a non-civil servant, it would be vital for the public to trust the importance of a system. As for candidates for the post of the Director, members of the public may have different views on persons from different backgrounds. But it would be most important that we have a sound system to ensure that the selected candidate can meet the standards of conduct and integrity required for the post of the Director, so that the Commission will operate independently and impartially under his leadership and continue to be accountable to the public as well as the Legislative Council under public monitoring. I consider that with the above system, the Director and his colleagues can discharge their duties effectively.

MISS TANYA CHAN (in Cantonese): *President, I totally share the Secretary's view about the critical importance of the system, but people are also very*

important. President, oral question time is provided under our system so that the Secretary is responsible for answering our questions. The Member has actually asked some targeted and specific questions in his oral question. But when the Secretary comes here personally today to give his reply, I can find nothing in his main reply that answers Mr Alan LEONG's main question specifically, even though I have read the reply again and again. Moreover, by answering the Member's question in such a way, he is actually destroying the system gradually because he does not respect the questions raised by Members of the Legislative Council. His reply is nothing but irrelevant, and in the words of Alan ……

PRESIDENT (in Cantonese): Please ask your supplementary question.

MISS TANYA CHAN (in Cantonese): *…… it is a typical example. My question is very simple, that is, in respect of part (a) of the main question …… President, honestly, according to usual practice, if a question is divided into parts (a), (b) and (c), the main reply will at least be divided into parts (a), (b) and (c) respectively or collectively. But he does not even bother to do so for this question ……*

PRESIDENT (in Cantonese): Please ask your supplementary question.

MISS TANYA CHAN (in Cantonese): *…… I want to ask a question particularly on part (a) of the main question. Regarding "the justifications for the Government to appoint a person not from the Government to take up the office of the Director at present", the Secretary has barely given an answer just now. What is more important is that part (b) of the main question has referred to two audit negligence cases specifically and asked, "if his appointment will undermine the Commission's credibility", and what is the result of the integrity checking on the Director. But ultimately I cannot find any relevant answers in the main reply. I hope the Secretary can answer these questions specifically.*

PRESIDENT (in Cantonese): What is your supplementary question?

MISS TANYA CHAN (in Cantonese): *Please answer the questions in part (b) of the main question specifically.*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Thanks to Miss CHAN for the supplementary question. Regarding this question, Mr SUN has issued a statement to account for the matter on as early as 28 June. According to the statement issued that day, Mr SUN pointed out particularly that the case relating to the liquidation of Akai was a civil litigation case which had long concluded in 2009. In the course of the event, his professional conduct had not been called into question. The incident would not affect his work after he assumed his post on 1 July. In the statement, Mr SUN also said that he attached great importance to personal integrity and professional conduct. With his knowledge and experience in the accounting field, he would work hand in hand with his civil service colleagues in an impartial manner.

MISS TANYA CHAN (in Cantonese): *President, my question is specifically about the Government's view on this matter. I did not ask the Secretary to read that statement for me because I am a literate person myself.*

PRESIDENT (in Cantonese): Secretary, do you have anything to add?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, I have nothing to add.

MR CHEUNG MAN-KWONG (in Cantonese): *President, in his reply just now, the Secretary has pointed out that when making appointment to this post, that is, the appointment of SUN Tak-kei as the Director, the Government has always believed in the importance and the integrity of the system. Does it mean that when the Government appoints a person who is plagued by lawsuits and lacks credibility, or even a highly incapable and unqualified person as the Director, it*

is a trick of inflicting self-injury to demonstrate the soundness of the system under which any person can fill the post?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): The incumbent Director Mr SUN is a senior accounting professional with strong expertise and ample experience. He is conversant with and strictly adheres to the rules of conduct of the profession. The Commission's internal Audit Manual also prescribes the standard of conduct and core values to be observed by the Director and his colleagues when discharging their duties. I think those are what I mean by the system and Mr SUN's attributes.

MR CHEUNG MAN-KWONG (in Cantonese): *President, what I mean is that as the Government has stressed the importance of the system over the human factor, this person was identified to fill the post. Isn't that a trick of inflicting self-injury by appointing him as the Director deliberately so as to prove the soundness of our system?*

PRESIDENT (in Cantonese): Secretary, do you have anything to add?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): I think I have already answered the Member's supplementary question.

MR KAM NAI-WAI (in Cantonese): *President, in his reply just now, the Secretary referred to TANG Kwok-wai as the former Director, but that should be TANG Kwok-bun and TANG Kwok-wai is the incumbent Secretary for the Civil Service. It turns out that the Secretary cannot even differentiate between these two persons.*

Barely sworn in, LEUNG Chun-ying has given us such an impertinent reply. Although the Secretary has pointed out in the main reply that the Commission works independently under the protection of the law, it is a well-known fact that officials of LEUNG Chun-ying's government are experts in

taking advantage of the loopholes in the law. Many Honourable colleagues have praised the work of the former Director, Mr TANG Kwok-bun, particularly in handling the matter about the former Chief Executive's accommodation in luxurious presidential suite during overseas visits. Although Mr TANG was appointed by the Central Government on the Chief Executive's recommendation, he has absolutely not relented when dealing with the Chief Executive's lavish and extravagant acts.

I would like to ask the Secretary: Is it really because there is no suitable senior official in the Commission or the Civil Service, or an independent person familiar with the civil service structure cannot be identified in the current Civil Service, that Mr LEUNG Chun-ying must adopt his present practice of making nepotistic appointments?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): I understand that Members will keep coming back to this question. But I want to point out that when appointing the incumbent Director, the Chief Executive must have considered his background as a famous and senior accountant in Asia with profound accounting experiences, good management skills as well as a long history of dedicated community services. His professional qualifications and social experience will facilitate the discharge of his auditing work in the Government. I have actually answered questions in this respect earlier, and I have nothing to add.

PRESIDENT (in Cantonese): Has your supplementary question not been answered?

MR KAM NAI-WAI (in Cantonese): *President, my question just now is whether no suitable candidate for the post of the Director can be identified from amongst the existing senior officials in the Commission and the Civil Service.*

PRESIDENT (in Cantonese): Secretary, please reply.

MR KAM NAI-WAI (in Cantonese): *I have not asked the Secretary how good Mr SUN is.*

PRESIDENT (in Cantonese): Mr KAM, you have already repeated your question. Secretary, please reply.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Let me repeat ……

PRESIDENT (in Cantonese): Secretary, Mr KAM is asking you whether no suitable candidate can be identified from existing civil servants.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): I reiterate that when making the decision to appoint the Director, the Chief Executive has considered the statutory functions of the Commission, as well as the professional qualification, management ability and integrity required of the Director. He considers Mr SUN a suitable candidate for the appointment.

DR MARGARET NG (in Cantonese): *President, when the matter involving the Chief Executive's UBWs was revealed, he claimed that his mansion had been inspected by some professionals who considered that there was no irregularity. But the media subsequently revealed that these professionals had also erected UBWs themselves. As a result, their act of defending the Chief Executive has instead created negative impact. I would like to ask the Secretary: Should the same thing happen to the Director, would it create even bigger damage to the Government's credibility? Has the Government ever considered this question? Moreover, have steps been taken to appoint a professional without these problems as the Director?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, I think this is a hypothetic question. I do not know how to follow up on that question.

DR MARGARET NG (in Cantonese): *President, what is hypothetical about my supplementary question?*

PRESIDENT (in Cantonese): Dr NG, please repeat your supplementary question.

DR MARGARET NG (in Cantonese): *President, I have pointed out as an example that in the matter of the UBWs, the Chief Executive claimed that his mansion had been inspected by professionals who considered that there were no UBWs. However, instead of being useful in defending the Chief Executive, such a report has created negative impact for him because the media subsequently revealed that the professionals concerned had also erected UBWs themselves. Hence, their act of defending the Chief Executive has exactly the opposite effect. As such, I ask the Secretary whether the Government has ever considered that if a person with questionable background can be appointed as the Director, the reports he prepared will likewise be unhelpful to the Government?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): I consider this question hypothetical.

PRESIDENT (in Cantonese): Dr LAM Tai-fai, please ask your supplementary question.

DR LAM TAI-FAI (in Cantonese): *President ……*

(Dr Margaret NG stood up)

DR MARGARET NG (in Cantonese): *Can the Secretary explain the reasons why he considers my supplementary question hypothetical? To judge whether the question is hypothetical depends not on his subjective view.*

PRESIDENT (in Cantonese): Dr LAM Tai-fai, please hold your supplementary question. Secretary, do you have anything to add?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): The Member's question is about what will happen if Mr SUN meets with certain situations. But in fact, I have already explained various factors as well as the personal background of Mr SUN which the Chief Executive has taken into account when considering the appointment of the Director. Hence, I think I have already answered the relevant question. If Members keep on asking questions based on all sorts of "what will happen if" and assumptions, there is no way I can follow up on those questions.

DR LAM TAI-FAI (in Cantonese): *President, I think the Secretary must feel deeply about this oral question today. He should understand that Members representing the industrial and commercial sectors are indeed very rational, understanding and logical. Even though the Secretary's replies to the many questions we asked previously about section 39E and the 183-day rule were likewise irrelevant, we still kept ourselves cool; we neither attacked the Secretary from all quarters nor snarled at him. Hence, the Secretary should have great feelings ……*

PRESIDENT (in Cantonese): Please ask your supplementary question.

DR LAM TAI-FAI (in Cantonese): *…… Here is my supplementary question. In his reply, the Secretary has pointed out that extended checking would be conducted before making an appointment, and the Government attaches great importance to ethical standards and personal integrity. Unlike others who make a mountain out of a molehill, my supplementary question is very simple. I only want to know whether these "obsolete" lawsuits will be regarded as demerits in the Government's selection process of officials. In other words, will the candidate concerned get a lower score when the final decision of appointment is made?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): I can only point out that like other accountable government officials and civil servants, Mr SUN must go through extended checking. The police are responsible for carrying out the extended checking and other enforcement agencies would be invited to provide supplementary information if and when necessary. The checking would include meetings with referees and supervisors of the prospective candidate, and a review of the relevant records.

DR LAM TAI-FAI (in Cantonese): *President, what I mean is that, given the great importance attached by the Government to ethical standards, whether the score of the candidate concerned will be deducted during the checking as a result of these "obsolete" lawsuits? I ask this question because the Government should somehow have a scoring system for assessment.*

PRESIDENT (in Cantonese): Secretary, will you answer this question?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): I think I have already stated the details of the checking system. Regarding any further detail which relates to the actual contents of checking, I think it serves no purpose in terms of understanding this matter. Moreover, that is something I cannot answer here. Anyway, during the process of checking, many particulars would have to be dealt with. The most important point is that Mr SUN has passed through the extended checking of the authorities.

PRESIDENT (in Cantonese): This Council has spent almost 24 minutes on this question. Fifth question.

Unauthorized Building Works and Integrity Checking Relating to Senior Government Officials

5. **MR JAMES TO** (in Cantonese): *President, according to Article 47 of the Basic Law, the Chief Executive of the Hong Kong Special Administrative Region must be a person of integrity, dedicated to his or her duties and yet, in the two*

mansions owned by the new-term Chief Executive in Yue Hei Yuen at Peel Rise of The Peak on Hong Kong Island, six unauthorized building works (UBWs) were found earlier. In this connection, will the Government inform this Council:

(a) whether any criminal investigation has been carried out into the UBWs involving the aforesaid properties as reported in the past month; if so, of the details; if not, the reasons for that;

(b) whether, when performing integrity checking on Chief Executive and the principal officials under the accountability system (accountable officials), the authorities at present check if the properties they own breach the legislation relating to UBWs; if not, given the public concern about their illegal behaviours and integrity problems in this respect, whether the authorities will incorporate the relevant checking into the system of integrity checking for Chief Executive and accountable officials; and

(c) given that the aforesaid properties were checked by registered professionals for UBWs at the time of transfer in 1999, but the authorities had earlier confirmed the existence of six UBWs (including a basement with an area of about 240 sq ft right under the parking space) in these properties, and some registered professionals, after checking afresh the properties, had publicly said that they believed the unauthorized basement was not an additional structure built after occupancy in 2000 and should be the power control room originally designed for the mansion and the garden concerned, whether the authorities will conduct an investigation to find out if the registered professionals responsible for checking the aforesaid properties in 1999 had honestly discharged their professional duties, and if the unauthorized basement had been built illegally before the occupation permit (OP) was granted?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, as in the case of a similar question raised by a Member last week, I wish to reiterate that the issue of UBWs is high on the Government's agenda. The Government has always put the safety of buildings in the first place, and will take a pragmatic stance to handle the issue through prioritization and categorization. We have

formulated a clear enforcement policy against UBWs, and the Buildings Department (BD), following the principle of acting in accordance with the law and being impartial to all, has all along been handling UBW cases (including the UBW case of Houses 4 and 5 at No. 4 Peel Rise) pursuant to the Buildings Ordinance (Cap. 123) (the BO) and the prevailing enforcement policy.

For cases reported by members of the public or by the media involving senior Government officials and celebrities, the BD has established a procedure for according priority to arranging site inspections for such cases, with the objective of clearing any public concerns as soon as possible.

After the site inspection, the BD will take appropriate enforcement action in accordance with the BO and the prevailing enforcement policy against UBWs in an impartial manner. Irrespective of the identity of the owner, the BD will not make any special arrangements when carrying out the enforcement actions, and will follow the principle of acting in accordance with the law and being impartial to all.

On criminal investigations, the policy and stance all along adopted by the BD in its enforcement work against UBWs is to require the owner to rectify the situation as soon as possible in order to ensure safety.

Under normal circumstances, the BD will not initiate criminal investigation on whether there have been contraventions to the BO. The BD will also follow this established principle and stance when determining the required follow-up actions for cases involving senior Government officials and celebrities. The identity of the owner is not among the factors considered by the BD as to whether criminal investigation has to be initiated.

My reply to the three-part question is as follows:

(a) The BD is now handling the case in accordance with the procedures for general UBW cases, and will not initiate criminal investigations on whether there have been contraventions to the BO. The BD will keep in view the development of the case, and continue to analyse and process the information gathered with a view to determining the necessary follow-up actions.

(b) According to the Basic Law and the relevant local statutes, the Chief Executive shall be returned by election and appointed by the Central People's Government.

During the process of the election, the Chief Executive is accountable to the society for his personal background and experience. As such, his integrity, conduct, past deeds, and philosophy are all under the close scrutiny by the public, members of the Election Committee and the press.

All Principal Officials of the political appointment system have to undergo the extended checking process. The same extended checking questionnaire as currently used in the Civil Service is issued by the Hong Kong Special Administrative Region Government to the person who is to be nominated as a Principal Official. The form seeks information relating to the personal particulars of the individual; his education background, social activities, employment history, and family members. The persons under checking are also required to nominate two referees.

(c) The BD does not have information on the inspection for the presence of UBWs by registered professionals in the subject premises during the ownership transfer in 1999. The Administration is thus not yet able to decide whether there is a need to initiate investigations.

As regards the floor space beneath the car-parking space in House 5 at No. 4 Peel Rise, the BD has pointed out that before the OP was granted in 1992 to the concerned properties, the Department had carried out an inspection and confirmed that the buildings had been constructed in accordance with the approved plans. In addition, the information gathered by the BD so far does not suggest that the floor space had been constructed before the OP was granted. The BD will keep in view the development of the case, and continue to analyse and process the information gathered with a view to determining the necessary follow-up actions.

MR JAMES TO (in Cantonese): *President, the grave concern of Hong Kong people is fair and non-discriminatory law enforcement and that there should not be preferential treatments.*

President, the Secretary has stated in part (a) of his main reply that the BD will not initiate criminal investigations now but it will keep in view the development of the case, and continue to analyse and process the information gathered with a view to determining the necessary follow-up actions.

President, my supplementary question is: when the Chief Executive candidate, Mr Henry TANG, was suspected of being involved in UBW cases, the Government exceptionally collected concrete for scientific tests to determine the year of construction. I would like to ask the Government whether it had put aside some dismantled concrete or UBWs for similar tests in this incident. The time of construction of the UBWs is key evidence for analysis. I am not sure if the Government will adopt a non-discriminatory approach. If the Government gives up the collection of all substantive material evidence for laboratory testing, will it have the intention of giving the Chief Executive "a way out"?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, I thank Mr TO for his supplementary question. According to my understanding, the UBWs had been partially dismantled when BD staff conducted site inspections and they could not obtain the relevant information. However, BD staff tried their best to take photographs and measurements at the site, collect various data and keep detailed records of the specific circumstances of the site in each case. They are doing so and they have enforced the law without any discrimination.

PRESIDENT (in Cantonese): Has your supplementary question not been answered?

MR JAMES TO (in Cantonese): *Have materials such as concrete been collected? Now that we cannot do anything about the dismantled UBWs, what about those UBWs that have not been dismantled? Have materials been collected, or they have just taken photographs?*

SECRETARY FOR DEVELOPMENT (in Cantonese): President, I cannot tell the Member at the moment how much information has been collected by BD staff but I am sure that BD staff will professionally handle such cases. We can provide the Member with supplementary information on the kinds of information collected to enable him to have a clear understanding. (Appendix I)

PROF PATRICK LAU (in Cantonese): *President, as stated in part (b) of the main reply, all Principal Officials under the political appointment system have to undergo the extended checking process. Since this supplementary question is about UBWs, will BD staff conduct site inspections at the residence of Principal Officials to find out if there are UBWs and report these cases?*

SECRETARY FOR DEVELOPMENT (in Cantonese): President, I thank Prof LAU for his supplementary question. Mr LEE Wing-tat asked a similar question last week. He stated that a building owner has the responsibility to ensure safety of his property and he should not illegally carry out building works. All owners (including Principal Officials and government employees) should consult qualified professionals and they have the responsibility to seek clarification if they are unclear. I have conveyed to the Chief Executive the similar question raised last week, and the Chief Executive has reminded Principal Officials to properly deal with related matters according to the above principles. BD staff will not be asked to inspect the residence of Principal Officials and government employees.

PRESIDENT (in Cantonese): Has your supplementary question not been answered?

PROF PATRICK LAU (in Cantonese): *That is right; my supplementary question asks if BD staff are asked by Principal Officials to conduct inspections. My question is just about whether they have or have not asked the BD to conduct inspections.*

PRESIDENT (in Cantonese): Are you asking the Secretary whether Principal Officials have requested BD staff to inspect their residence to find out if there are UBWs?

PROF PATRICK LAU (in Cantonese): *Right, that is what my question is about.*

SECRETARY FOR DEVELOPMENT (in Cantonese): President, I believe I have replied that the mansion at Peel Rise was inspected by BD staff but it is not our procedural practice to inspect the building works of other officials. If officials would like their building works to be inspected, they should make their own arrangements and the Government would not ask BD staff and professionals to conduct the inspections.

MR LEE WING-TAT (in Cantonese): *President, in the incident involving Henry TANG's mansion last year, the BD explained to us that criminal investigation might be carried out because they assumed or suspected that some had secretly dug a hole under the mansion before the OP was granted by the BD. Therefore, the plans submitted were inaccurate and this was a case of attempted fraud.*

Could the Secretary tell me if there could be a similar possibility in respect of the BD's inspection of LEUNG Chun-ying's mansion? Before the developer's sale of the mansion for the first time; that is, before the OP was granted, someone had secretly dug a dungeon beneath the building and concealed it with certain things so that it could not be seen. As the plans submitted did not reflect the truth, it was suspected that this might be an offence of attempted fraud. At this stage, has the BD completely ruled out the possibility I have just mentioned such that it will not carry out any follow-up criminal investigation or collect evidence?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, I am not sure about which mansion has been mentioned in Mr LEE Wing-tat's question. Two mansions have just been mentioned, one at Peel Rise and another on York Road. I would like to ask Mr LEE to state his question more clearly.

MR LEE WING-TAT (in Cantonese): *President, my question is clear enough. The BD has already collected information for criminal investigation into the UBWs involving Henry TANG's mansion. My question is about LEUNG Chun-ying's mansion. Have the authorities similarly collected evidence or information for criminal investigation into the UBWs involving this mansion?*

SECRETARY FOR DEVELOPMENT (in Cantonese): President, I thank the Member for his question and I understand it now. BD staff have also noted this point. They are now organizing the data obtained in the course of inspection and they will decide on the next step according to the actual circumstances of the case.

MR LEE WING-TAT (in Cantonese): *Generally speaking, the UBWs will just be dismantled. My question in Chinese is clear enough, President. Is this a part of the criminal evidence collection process? I am only asking this question.*

PRESIDENT (in Cantonese): Secretary, is the BD taking actions to collect criminal evidence?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, as I have just said, with regard to enforcement in general, the BD does not take criminal actions and it mainly asks for corrections of the UBWs. At present, BD staff are collecting and analysing information and they will then determine what to do next.

MR CHAN KAM-LAM (in Cantonese): *President, it is rather common for UBWs to be found in buildings in Hong Kong. It has also been revealed that there are UBWs in my home, which certainly need to be handled according to the law. There are also UBWs in the homes of a number of Members; for example, there are similar problems with the homes of Mr Ronny TONG, Mr LEUNG Yiu-chung and Mr WONG Sing-chi; thus, it is quite common for UBWs to be found.*

The proposal just made by Prof Patrick LAU is really good. I think the authorities should be more proactive. For example, they should inspect the homes of some officials to find out whether there are UBWs. The Secretary should also consider strengthening publicity and telling the public the following: first, how to examine if there are UBWs in their homes; second, how and through what channels should they correct the UBWs and what solutions to the UBW problem are available, for instance, carrying out various kinds of works. I believe this would help the community better understand the problem. Can the Secretary tell us if such work will be carried out?

SECRETARY FOR DEVELOPMENT (in Cantonese): I thank Mr CHAN for his proposal, President.

There are over two million residential flats in Hong Kong and there are many industrial and commercial buildings. All owners have the responsibilities to examine whether the buildings are constructed in accordance with the plans and ensure that UBWs do not exist. The Government has always conducted publicity on building safety, maintenance, and so on. There were some past cases related to accidents caused by unsafe UBWs.

This is our grave concern and we thank Mr CHAN for his views. We would step up publicity and disseminate this message.

PRESIDENT (in Cantonese): Dr LAM Tai-fai, please raise your supplementary question later because I have missed out Mr KAM Nai-wai just now. Mr KAM, please raise your supplementary question.

MR KAM NAI-WAI (in Cantonese): *President, not long ago, the Chief Secretary for Administration, Mrs Carrie LAM, encouraged, supported and advised the Chief Executive, Mr LEUNG Chun-ying, to publicly account for the UBWs as soon as possible. I am not sure if the Secretary has encouraged, supported and advised Mr LEUNG Chun-ying to do so and I am not sure when he would give an account.*

I would like to tell the Secretary that my question is about part (c) of the main reply. He said, "The BD does not have information on the inspection for the presence of UBWs by registered professionals in the subject premises during the ownership transfer in 1999. The Administration is thus not yet able to decide whether there is a need to initiate investigations." The Chief Executive pledged that he had asked someone to examine whether there were UBWs before he bought the mansion, and he also declared that he would give up the right to affix the seller's responsibilities if there were any UBWs in his mansion. Under what circumstances will the Secretary verify if these professionals have professional misconducts or dereliction of duty, so that the Chief Executive is misled into believing them and buying the mansion with UBWs?

SECRETARY FOR DEVELOPMENT (in Cantonese): I thank Mr KAM, President.

The supplementary question has two parts. On the first part, the Building Authority has the enforcement rights under the law while the Secretary for Development does not have the right to enforce the law. We mainly monitor the progress of the enforcement work of the Building Authority to ascertain if there are any problems. We will also answer the relevant questions raised by Members in the Legislative Council. These are our major tasks.

Concerning the second part of Mr KAM's question, BD staff must make an overall analysis of the collected information before determining the next step.

PRESIDENT (in Cantonese): Which part of your supplementary question has not been answered?

MR KAM NAI-WAI (in Cantonese): *President, I asked the Secretary under what circumstances the then registered professionals asked whether they had inspected the mansion to ascertain if there were the UBWs. He has not answered my supplementary question.*

SECRETARY FOR DEVELOPMENT (in Cantonese): President, I have also made this point in the last paragraph in part (c) of my main reply. As shown by the result of the inspection, the information available when the OP was granted in 1992 did not show that the floor space had been constructed before the OP was granted.

The BD will continue to keep in view the development of the case as I have stated in my main reply. I believe BD staff really need some time to analyse the relevant information before deciding on the next step.

MR FRED LI (in Cantonese): *President, two clear photographs were published in the Ming Pao on 27 June. One showed the mansion before occupation and we could see that there was no wooden structure for flowers within three months after possession in 1999 or 2000, and the wooden structure was later replaced by a glass structure. Another photograph was taken 15 months later and it showed that there was a wooden structure for flowers. Evidently, there was a sharp contrast between the photographs taken before and after occupation.*

Has the Secretary read this report? This is a factual description and the photographs were shot from a height. If the report is true, LEUNG Chun-ying is lying because he has said that there is no UBWs. In fact, the UBWs existed when he bought the mansion, as evidently proven by the two photographs. Secretary MAK Chai-kwong is a professional and I would like him to tell us what actually happened.

SECRETARY FOR DEVELOPMENT (in Cantonese): President, I thank Mr LI for his question.

The relevant information includes aerial photographs for observation and reference, statements of the parties, plans drawn up by professionals, records kept and the size measured at the site after approval. I am afraid we cannot make a final decision or any decision on the basis of a single piece of information. As such, BD staff need to synthesize and analyse all relevant information from a professional angle before determining the next step.

PRESIDENT (in Cantonese): Has your supplementary question not been answered?

MR FRED LI (in Cantonese): *About the two photographs taken, I would like the Secretary to answer how he can comment on the authenticity of the photographs on the basis of professional techniques.*

PRESIDENT (in Cantonese): Mr LI, about the authenticity of the photographs, the Rules of Procedure specifies that a question shall not be asked whether statements in the press are accurate. So, the Secretary has already replied.

MR FRED LI (in Cantonese): *President, can the Secretary comment?*

PRESIDENT (in Cantonese): Let me see if the Secretary has anything to add.

SECRETARY FOR DEVELOPMENT (in Cantonese): President, it is inappropriate for me to comment on press statements.

PRESIDENT (in Cantonese): We have spent almost 24 minutes on this question. Dr LAM Tai-fai, I cannot allow you to raise your supplementary question. Last oral question.

Unauthorized Building Works Involving Chief Executive

6. **MR CHEUNG MAN-KWONG** (in Cantonese): *President, recently, unauthorized building works (UBWs) have been discovered in the residence of the Chief Executive, arousing wide public concern. It has been reported that reporters from the Ming Pao Daily News (Ming Pao), when carrying out related news coverage activities in the vicinity of that residence earlier, were found by the security guards and neighbours there, and the then Chief Executive-elect took the initiative to call the Chief Editor of the newspaper afterwards on 19 June to*

enquire about the incident. The media and some members of the public indicated that the act was not proper as Chief Executive-elect had important status and power and was also the subject of the investigation of the newspaper on UBWs, his call to the Chief Editor would easily be associated with exertion of pressure on the media and interference with Hong Kong's freedom of the press, calling into question his integrity. It has been reported that the glass frame, which was alleged to be UBWs, was removed immediately on 20 June after his call to Ming Pao. In this connection, will the executive authorities inform this Council:

(a) as the then Chief Executive-elect took the initiative to call the Chief Editor of Ming Pao to enquire about matters of UBWs involving his residence and he even removed the UBWs after learning about the situation of such UBWs, whether they have assessed if such acts were proper and lawful and whether they have assessed the impact of such acts on the freedom of the press and news collecting; if they have not, of the reasons for that;

(b) as the then Chief Executive-elect knew clearly that Ming Pao was investigating the UBWs in his residence but he still took the initiative to call the Chief Editor of Ming Pao to enquire about the investigation, whether they have assessed if the then Chief Executive-elect had attempted to make use of his power, position and status to acquire information on the UBWs and then make them disappear into thin air; whether they have assessed if such acts involved conflicts of interests and roles and not befitting his position as Chief Executive-elect; and

(c) given that the media and the public have queried the integrity of Chief Executive and alleged him of interfering with Hong Kong's freedom of the press after UBWs have been found in his house, whether they have assessed if those problems will affect his credibility in governing Hong Kong, if he is fit to continue to be Chief Executive, and if he should take the blame and resign so as to uphold the dignity of Chief Executive?

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, with regard to the incident concerning the Chief Executive and a news agency, the Administration has learned from news reports that the news agency concerned has undertaken civil action in respect of this incident. It is not appropriate for the Administration to discuss the details of the incident publicly at this stage so as not to affect the legal proceedings concerned. I will only make some in-principle comments on behalf of the Administration.

The Administration has all along been making effort to protect the right to press freedom enjoyed by Hong Kong residents as enshrined in the Basic Law. As said in his speech at the Inauguration Ceremony, the Chief Executive would do his utmost to safeguard human rights and make sure that press freedom and the independence of the media are respected.

The Administration reiterates once again that press freedom and the right to expression are fundamental rights enjoyed by the people of Hong Kong. These fundamental rights are enshrined in the Basic Law, the Hong Kong Bill of Rights Ordinance and other local legislation. The Hong Kong Special Administrative Region (SAR) Government is firmly committed to protecting the freedom of the press, and providing a suitable environment in which the media industry can flourish freely under minimum regulation.

The media in Hong Kong has all along been proactively monitoring the Government. It reports and comments on local and international matters, as well as the policies and work of the Government extensively and freely. On the premise of respecting press freedom, government officials and the media contact and liaise with each other from time to time over their work. This is a healthy and normal phenomenon, as it facilitates the media's news-gathering and reporting work, and helps increase the transparency of the Government's administration at the same time.

The media in Hong Kong has always been operating independently. Press freedom is respected by the Government and the society. Press freedom is one of the core values of Hong Kong. The Chief Executive and the HKSAR Government, as always, will continue to safeguard press freedom.

MR CHEUNG MAN-KWONG (in Cantonese): *The Government is using the civil action as a shield to evade telling the truth. If the remark in the main reply*

stating that the Government believes in the freedom of the press is true, the Government's explanation that calls to the media are made to facilitate their news-gathering work is conspicuous cover-up. Through what channel did LEUNG Chun-ying learn about the investigation of Ming Pao about his UBWs? This knowledge enabled him to adopt the delaying tactic of accepting the interview of Ming Pao about the unauthorized glass frame on the next day while removing the glass frame immediately to destroy the evidence, rendering it impossible for the interview to be carried out? May I ask the Government if LEUNG Chun-ying has taken the lead to destroy the evidence prior to the interview, should this still be regarded as an act of safeguarding the freedom of the press? Should the people of Hong Kong trust the Chief Executive who has taken the lead to destroy evidence?

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): As I said in the main reply earlier, since the news agency concerned has undertaken civil action, it is thus inappropriate for the Government to make specific comments at the present stage. However, I may supplement two points. First, the editor of the news agency concerned issued a declaration on 25 June, and I quote, to the effect that, "The editorial department declares specifically that it has not encountered any interference regarding the inquiry report, and the entire process, from news gathering to the publishing of the report, had been carried out strictly in accordance with the requirements of the press profession." (unquote) Hence the Government considers that whether the incident involves the so-called interference of the press, various sectors of the society may refer to the declaration made by the editorial department of the news agency concerned in stating that the entire process had met no interference.

Second, regarding the UBWs in the residence of the Chief Executive, I believe the Secretary for Development has just given some appropriate explanation. In this connection, apart from the remarks released by the Chief Executive and the report of newspapers, I do not have further information. I am afraid I cannot represent the Chief Executive to supply further information here.

PRESIDENT (in Cantonese): Has your supplementary question not been answered?

MR CHEUNG MAN-KWONG (in Cantonese): *The Secretary has not responded to the viewpoint I made in the end, that is, if LEUNG Chun-ying has taken the lead to destroy the evidence, should this be regarded as a safeguard of the freedom of press?*

PRESIDENT (in Cantonese): The Secretary for Financial Services and the Treasury pointed out earlier that the supplementary question of a Member was hypothetical. Mr CHEUNG, the supplementary question you now put forth is indeed a hypothetical question.

MR CHEUNG MAN-KWONG (in Cantonese): *President, Leung Chun-ying is destroying evidence by demolishing the glass frame, and should this be regarded as inhibiting the freedom of the press?*

PRESIDENT (in Cantonese): Secretary, do you have anything to add?

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): I may at best add some information according to certain public record which has been published. I notice that the Chief Executive has explained to the media about the immediate demolition of the glass frame. He said that as the Chief Executive, he and his team should pay extra attention to the issue, and he had thus demolished the structure immediately with a view to complying with the requirement of the relevant legislation as soon as possible. I quote this comment from the remarks made by the Chief Executive to the media. As for other aspects, I have nothing to add.

MR CHEUNG MAN-KWONG (in Cantonese): *President, he has not answered the crucial part. This is fact that the Chief Executive accepted the interview from Ming Pao. He demolished the glass frame, and this is also the fact. Was this action of his an act to destroy evidence and inhibit the freedom of the press? This is the key.*

PRESIDENT (in Cantonese): Mr CHEUNG, the Secretary has already answered this. You should allow other Members the opportunity to ask their questions.

MR LEE WING-TAT (in Cantonese): *President, we said in the past that certain officials, such as Fanny LAW, were fond of making "dreadful mid-night calls" to debate or warn others over the phone. I now realize that the press will also receive such "dreadful mid-night calls", as Mr LEUNG called LAU Chun-to after 11 pm. I do not know whether Mr LEUNG will debate or warn others every night at 11 pm as a means to realize his manifesto "by the right way"?*

President, my supplementary question is straightforward, which is also a question asked by many members of society. Mr LEUNG's catch-phrase is that work which can be completed in 10 days should not be completed in a fortnight. On the 1st and 2nd of July, he said he would give a full reply to the public and the media about all questions relating to the UBWs in his home as soon as possible. President, it will be 15th July next Monday. My supplementary question is simple: Secretary, do you think Mr LEUNG Chun-ying will explain to the public in full detail the history and future arrangement for all the UBWs at his home in this Chamber next Monday?

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, sorry, since I am no longer the Director of the Office of the Chief Executive, I have not examined this aspect. However, at the Chief Executive's Question and Answer Session to be held next Monday, all Members may certainly put forth questions to the Chief Executive on issues of their concern, and I believe the Chief Executive will be more than willing to answer questions of Members' concern.

MR LEE WING-TAT (in Cantonese): *President, the focus of my supplementary question is that since Mr LEUNG once said he would face and respond to problems swiftly, when will he respond to our questions in a swift and comprehensive manner?*

PRESIDENT (in Cantonese): Secretary, do you have anything to add?

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, I think it will be more convenient to leave it to the Chief Executive's Office to give further response. What I can say at present has been provided in the information I gave earlier.

DR MARGARET NG (in Cantonese): *President, regarding part (c) of the main question of Mr CHEUNG Man-kwong, which mentions the interference with the freedom of the press, we recently learnt from the Chinese translation of the declaration of the editor in chief of Ming Pao, LAU Chun-to, that LEUNG Chun-ying called Ming Pao in person that night. May I ask whether LEUNG Chun-ying requested Ming Pao not to make public or record that he himself had called LAU Chun-to?*

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): I have read the declaration of Mr LAU Chun-to. It seems that he has not mentioned the issue raised by Dr Margaret NG just now. Besides, I do not have information in this respect from Chief Executive LEUNG Chun-ying for me to answer this question. I would like to express my apology to Dr Margaret NG in this connection.

DR MARGARET NG (in Cantonese): *I do not hear the Secretary saying that supplementary reply will be provided later. My supplementary question is indeed straightforward: Did Mr LEUNG Chun-ying request Ming Pao on the phone at the time not to disclose that it was he himself who was calling?*

PRESIDENT (in Cantonese): Secretary, will you provide supplementary information?

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, as I mentioned earlier, I am afraid I cannot give an answer today.

DR MARGARET NG (in Cantonese): *I am asking whether the Secretary will provide supplementary information after the meeting. This is factual information.*

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, I will refer this supplementary question to the Chief Executive's Office for handling, will it be alright?

MR CHAN KAM-LAM (in Cantonese): *President, it is not easy to conduct oneself in society today. When one discovered that UBWs was found in his house and wanted to deal with it expeditiously, he was accused of making the UBWs disappear in the thin air and influencing the freedom of the press. The issue was escalated infinitely. I think Mr CHEUNG Man-kwong is marvellous.*

President, some Members said earlier that the Chief Executive called Ming Pao in the middle of the night, whereas the public declaration made by Ming Pao stated that it had not met any interference in handling the news. Secretary, since some Members said that the Chief Executive was interfering the freedom of the press by calling Ming Pao, may I know whether you will request Ming Pao to clarify to the Government that it had not met any interference from the Government in this case?

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): I would like to put forth two points. First, I believe the declaration made by the editorial department of the news agency concerned on 25 June had stated clearly that: "…… it has not encountered any interference …… in the entire process". Second, as the Administration, we have never requested and should not request any media organization to provide or confirm any information, for we respect the independency and independent monitoring of organizations. Regarding the requests made by Mr CHAN Kam-lam earlier, I think it is inappropriate for the Administration to make such requests.

MS CYD HO (in Cantonese): *In fact, the Government has always failed to practice what it preaches. The Government headed by LEUNG Chun-ying says that it has to safeguard the freedom of the press and the freedom of expression*

and respect the right of reporters for news-gathering. Yet during the visit of President HU Jintao to Hong Kong, a reporter of the Apple Daily was taken away by the police for posing a question on 4 June incident to President HU loudly and questioned for nearly 10 minutes. In this connection, has Mr LEUNG Chun-ying, the incumbent Chief Executive ordered the police to take actions? The truth of the incident was seen by audience watching the live broadcast on television, why no action has been taken by now? How can this be regarded as safeguarding the freedom of press and the freedom of expression?

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Apart from giving a reply to Ms Cyd HO's supplementary question, please allow me to talk about some measures adopted by the police to facilitate the exercise of the freedom of the press and the freedom of news-gathering of the press. Learning from past experience, particularly the experience of handling the visit of leaders to Hong Kong last year, the police has adopted some measures this time. These include, first, the setting up of a press area within the security zone outside the event venue; second, the deployment of a media liaison team to assist the press; third, the setting up of an enquiry hotline for the media; fourth, the arrangement of meetings with media organizations prior to the visit of State leaders for communication; and fifth, the introduction of the news-gathering arrangements for the relevant events and the points to note.

Regarding the incident mentioned by Ms Cyd HO directly, which took place at the cruise terminal, the police have made official and public response and have undertaken to carry out further investigation. If it is proved that officers have violated the rules, the case will definitely be handled officially. I believe when the result of further investigation is available, the police will explain the case correspondingly.

PRESIDENT (in Cantonese): Has your supplementary question not been answered?

MS CYD HO (in Cantonese): *President, I have made it crystal clear earlier that we already know the truth of the incident through various channels, report, television live broadcast, witness at the scene ……*

PRESIDENT (in Cantonese): Please repeat your supplementary question.

MS CYD HO (in Cantonese): …… *I asked earlier that since Mr LEUNG Chun-ying was the incumbent Chief Executive, and he claimed that he would safeguard the freedom of the press and the freedom of expression, would he order punishment be handed down? The Secretary should not give the excuse that "investigation is still underway". President, when officials get used to lying and dodging the truth, what will be the meaning of the freedom of the press and the freedom of expression?*

PRESIDENT (in Cantonese): Ms HO, you have stated you view and the Secretary has answered on behalf of the Government.

MS CYD HO (in Cantonese): *Yet, President, I have a question: Has Mr LEUNG Chun-ying, being the incumbent Chief Executive, ordered punishment be handed down?*

PRESIDENT (in Cantonese): Regarding this fact, Secretary, have you given your response?

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, as I said earlier, the police have undertaken to investigate the case and if any officer is found to have violated the rules, it will be handled impartially and explanation will be provided. I believe the police will definitely explain the case to the public once further result is available.

MR WONG SING-CHI (in Cantonese): *President, Mr LAU Chun-to has stated clearly in his declaration that Mr LEUNG Chun-ying had called him, yet he failed to pick up the call and he called Mr LEUNG back afterwards. Mr LEUNG asked him whether it was related to the report about the existence of UBWs in his house — the UBWs is neither a collection of glass rod, nor a glass house. I do not know why Mr LEUNG Chun-ying would ask Mr LAU Chun-to*

about the existence of UBWs. Mr LAU Chun-to is only a reporter but not an estate surveyor or a building surveyor. Why would Mr LEUNG Chun-ying know that the structure inside his house was unauthorized after asking Mr LAU Chun-to and have the structure removed swiftly the next morning? Unless Mr LAU Chun-to is a building surveyor who can tell Mr LEUNG Chun-ying in definite terms that the structure is unauthorized, and thus enable Mr LEUNG Chun-ying to confirm that the structure is unauthorized, otherwise, the whole incident is illogical. Therefore ……

PRESIDENT (in Cantonese): Please state your supplementary question.

MR WONG SING-CHI (in Cantonese): *…… may I ask the Secretary whether the situation is logical? If the unauthorized structure had been there for a dozen years, how would Mr LEUNG Chun-ying know the structure was unauthorized by simply asking Mr LAU Chun-to and how would he just remove the structure without any query the next morning, and then came forward to say that he removed the structure because he knew it was unauthorized?*

PRESIDENT (in Cantonese): What is your supplementary question?

MR WONG SING-CHI (in Cantonese): *The structure had not been removed for over 10 years, but it was removed the very next day after his conversation with Mr LAU Chun-to on the phone. May I ask the Secretary whether it is logical and whether the explanation given by the Secretary on behalf of Mr LEUNG Chun-ying that the structure was swiftly removed for he knew it was unauthorized is a lie? Is it logical? Was it because he got hold of information about the UBWs from Mr LAU Chun-to and he hoped that Mr LAU Chun-to would not report the case, and to prevent Mr LAU Chun-to from pursuing the report of the case, he removed the structure the next day and made it disappear in thin air?*

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, I will respond to two points. First, I notice that the declaration of Mr LAU Chun-to was made when *Ming Pao* brought the case to

the High Court against the *HK Economic Journal* for defamation. Hence, I think it is inappropriate for the Administration to give specific comment about the content of the declaration. As I pointed out in the main reply, since the case is in civil proceeding, it is inappropriate for me to add anything about the content and the specific information.

Second, regarding the reasons for the Chief Executive demolishing the structure inside his residence, I am only quoting the explanation the Chief Executive has made in open to the media. Hence, I hope that in the solemn setting of the legislature, the Administration will by all means quote information which has been made open on both sides, so as to avoid any influence on the case in court proceeding. In view of this, I have to be relatively cautious in giving my reply. Apart from quoting the explanation given by the Chief Executive about why he would have demolished the structure at that time, I can only quote the remarks he has made to the media. I am afraid I cannot represent the Chief Executive to give further response.

As I said earlier, if Members want to follow up the issue, they will definitely have other channels to raise further questions to the Chief Executive.

PRESIDENT (in Cantonese): Has your supplementary question not been answered?

MR WONG SING-CHI (in Cantonese): *The question I put forth is relating to the logic which all government officials should apply.*

PRESIDENT (in Cantonese): Please explain briefly.

MR WONG SING-CHI (in Cantonese): *I asked the Secretary whether he considered the earlier reply did not follow the logic. Will he explain in what way his reply is logical?*

PRESIDENT (in Cantonese): You are in fact asking the Secretary to comment on certain procedures you have commented on. The Secretary has given some well-justified reasons for not giving any more personal comments.

MR WONG SING-CHI (in Cantonese): *President, these are facts. According to our information, these are facts. When these facts are put together, the reply of the Secretary becomes completely illogical, and the remarks from Mr LEUNG Chun-ying are illogical too.*

PRESIDENT (in Cantonese): You have already expressed your views.

MR WONG SING-CHI (in Cantonese): *I only hope that the Secretary can prove whether he can grasp the logic.*

PRESIDENT (in Cantonese): Mr WONG, the Secretary has already answered this. This Council has spent 23 minutes on this question. Oral question time ends here today.

I now suspend the meeting until 2.30 pm.

WRITTEN ANSWERS TO QUESTIONS

Declaration of Interests by Politically Appointed Officials

7. **MR FRED LI** (in Chinese): *President, the new Chief Executive and his politically appointed officials (PAOs) have already assumed office. He has openly undertaken that he would set an example and lead the civil servants and his PAOs in establishing a clean and honest Government with integrity. Under the current system of declaration of interests by the Chief Executive and PAOs, they are only required to declare their investments and interests, but not their debts. Furthermore, there are public concerns whether there are unauthorized building works (UBWs) in the properties of PAOs and about their political affiliation. In this connection, will the Government inform this Council:*

(a) whether any voluntary declaration on debts has been received from the aforesaid officials; if so, set out the details of their debts in table form; if not, whether they are to make such declarations voluntarily in the future, or whether the Government will revise the system of declaration of interests by clearly laying down the requirement for these officials to declare their debts;

(b) whether it has checked and verified if there are UBWs in the properties of the new PAOs; if it has, set out the details of those UBWs; if not, of the reasons for that; and

(c) whether it knows if the aforesaid new PAOs were the members of any Hong Kong, Mainland or overseas political party or political organization five years before assuming office; if so, set out the political affiliation of each principal official under the accountability system?

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Chinese): President, the Administration gives the following consolidated reply to the three parts of the question raised by Mr Fred LI:

(a) Under the present system, the Chief Executive and PAOs are not required to declare their debts in their regular declarations of investments and interests.

The Independent Review Committee for the Prevention and Handling of Potential Conflicts of Interests (the Committee), appointed by the former Chief Executive and chaired by the former Chief Justice of the Court of Final Appeal, the Honourable Mr Andrew LI Kwok-nang, has given consideration regarding this issue. The Committee notes that loan is an advantage, and its solicitation or acceptance by a PAO, as with any civil servant, is subject to the section 3 regime of the Prevention of Bribery Ordinance (POBO). The Committee has also proposed to apply section 3 of the POBO to the Chief Executive. In addition, the present system requires ad

hoc declarations of debts and liabilities by the Chief Executive and PAOs in relation to specific matters being considered, in cases where their debts and liabilities may constitute potential conflicts of interests with such matters.

Having considered the above arrangements and bearing in mind privacy concerns, the Committee does not consider it necessary to include the additional requirement for the Chief Executive and PAOs to declare debts and liabilities in their regular declarations of investments and interests. The Committee notes that this is the position in the Civil Service where there is no general requirement to declare debts and liabilities in regular declarations of investments. And this arrangement has worked satisfactorily.

Having considered the views of the Committee, the Administration does not consider it necessary to require the Chief Executive and PAOs to declare their debts on a regular basis.

(b) Building owners are responsible for upkeeping the safety of their properties and ensuring that their properties are free of UBWs. If an owner is uncertain of the condition of their properties, he should seek the advice of qualified professionals. The Chief Executive has already reminded the principal officials to handle this issue properly in accordance with the abovementioned principle.

(c) In accordance with paragraph 4.2 of the Code for Officials under the Political Appointment System, PAOs shall declare to the Chief Executive whether they are in any way affiliated with any political party, whether they are members of any political party and whether they hold any office in any political party. They shall declare to the Chief Executive if there is any change in their status in relation to any political party.

The declaration shall be made available on the website of the bureau/office served by the official concerned for public inspection.

University of Hong Kong-Shenzhen Hospital

8. **MR ALBERT HO** (in Chinese): *President, in recent years, there has been an ongoing wastage of doctors in the public hospitals, but the proposal put forward by the Hospital Authority (HA) to recruit overseas doctors is opposed by the medical sector. At the same time, under the Mainland and Hong Kong Closer Economic Partnership Arrangement, Hong Kong doctors may practise on the Mainland. Recently, it has been reported that the Li Ka Shing Faculty of Medicine (Faculty of Medicine) of the University of Hong Kong (HKU) collaborates with the Shenzhen Municipal Government to operate the HKU-Shenzhen Hospital (Shenzhen Hospital), and has deployed a number of renowned professors to work at Shenzhen Hospital. In this connection, will the Government inform this Council:*

(a) whether it knows the total number of the university academic staff who are deployed to work at Shenzhen Hospital by the HKU; the number of Hong Kong doctors other than the HKU's academic staff recruited by the hospital; given that it has been reported that in order to make up for the professors deployed to work at Shenzhen Hospital, the HKU has given each specialist department permission to recruit at least three additional doctors, whether the authorities have assessed if this measure implemented by the HKU will aggravate the wastage of doctors in the public hospitals, and evaluate the impact of the operation of Shenzhen Hospital by the HKU on the demand for local doctors;

(b) given that even though the aforesaid professors of the Faculty of Medicine who are deployed to work at Shenzhen Hospital are the HKU's employees, they have signed employment agreements with Shenzhen Hospital at the same time and are required to complete their assigned tasks at Shenzhen Hospital within a specified period of time, and that Hong Kong residents are not Shenzhen Hospital's target clients and the tasks of these professors are not related to teaching, whether it knows if such arrangements are in compliance with the funding criteria set down by the University Grants Committee (UGC); if they are in compliance with the funding criteria, whether UGC will conduct a review to ensure that the work of the university academic staff who are paid by the public money of

Hong Kong is to serve the academia, members of the public and students in Hong Kong;

(c) given that the professors of the HKU's Faculty of Medicine mentioned in part (b), who have signed employment agreements with Shenzhen Hospital, are required to strictly abide by the various laws and regulations of the country, and a number of renowned professors are even responsible for the management of the Shenzhen Hospital and are accountable to Shenzhen Hospital's board of directors, whether it knows if the HKU's Faculty of Medicine and the Medical Council of Hong Kong have conducted studies on how these professors should deal with situations where the requests made by Shenzhen Hospital's board of directors and the Mainland laws and regulations are in violation of the code of practice of the doctors in Hong Kong; if such studies have been conducted, of the details; and

(d) whether it knows if Hong Kong residents seeking medical treatment at Shenzhen Hospital can request their attending doctors to refer them to Hong Kong's public hospitals for treatment; if not, of the reasons for that; when local public hospitals receive referrals in respect of Hong Kong residents made by Hong Kong doctors practising on the Mainland, how they ascertain whether the referrals are made by such doctors when they are practising in Hong Kong or on the Mainland?

SECRETARY FOR FOOD AND HEALTH (in Chinese): President, having consulted the Education Bureau, our reply to the various parts of the question is as follows:

(a) and (c)

The Shenzhen Hospital is a joint project between the HKU and the Shenzhen Municipal Government. The arrangements made by the HKU to recruit doctors and deploy manpower for the Shenzhen Hospital are solely the HKU's internal affairs in which the Government of the Hong Kong Special Administrative Region has not been involved.

According to our understanding, while some of the doctors of the Faculty of Medicine of the HKU will concurrently take up work in the Shenzhen Hospital, most of the doctors and nurses of the Shenzhen Hospital will be employed on the Mainland. Under such circumstances, this should not have a significant impact on the overall manpower demand for doctors in Hong Kong. The HA has always been concerned about the demand for hospital services and the manpower situation of doctors, and will maintain liaison with the Faculty of Medicine of the HKU to closely monitor the impact brought about by the operation of the Shenzhen Hospital on the manpower situation of doctors in Hong Kong.

According to the Code of Professional Conduct for the Guidance of Registered Medical Practitioners, adverse findings on a Hong Kong registered medical practitioner in disciplinary proceedings by other professional regulatory bodies in or outside Hong Kong may likewise invoke the Medical Council of Hong Kong's disciplinary procedure.

(b) The HKU is an independent autonomous statutory body that enjoys institutional autonomy in engaging in self-financing activities. Nevertheless, as a UGC-funded institution, the HKU should ensure that its self-financing activities do not detract from the university's core work in Hong Kong, and that there should be a distinct separation of resources between UGC-funded and self-financing activities. The UGC Notes on Procedures stipulates that there should not be any cross-subsidization of UGC resources to self-financing activities. To avoid hidden subsidy to non-UGC-funded activities, the institutions should levy overhead charges on such activities.

According to information given by the HKU to the UGC Secretariat, the operation of the hospital in Shenzhen has all along been in compliance with the no cross-subsidization requirement set out in the UGC Notes on Procedures. The university has been recovering necessary costs in respect of the portion of UGC-funded resources consumed by these activities. The HKU also contends that, using the resources so recovered, it will correspondingly recruit more staff

so that there should not be any manpower depletion from the Faculty of Medicine in Hong Kong. Meanwhile, the HKU students can benefit from additional learning opportunities and exposure at the hospital in Shenzhen.

The UGC is currently looking into the self-financing activities conducted outside Hong Kong by its funded institutions, as well as the financial relationships between the institutions proper and the subsidiaries responsible for such financing activities. The UGC will, on a need basis, recommend to the Government on stipulating appropriate guidelines for institutions in this aspect. Meanwhile, the Government and UGC will follow up with the HKU on the arrangement of deploying teaching staff to the hospital in Shenzhen, with a view to ensuring that teaching staff in Hong Kong will continue to accord priority to serving local students, and that the quality of medicine teaching and research in Hong Kong will not be adversely affected.

(d) According to the current arrangement for provision of public healthcare services by the HA, Hong Kong residents who wish to receive treatment at local public hospitals do not need any referral to receive accident and emergency (A&E) and general out-patient services. Hong Kong residents may visit the HA's A&E departments or general out-patient clinics on their own for medical consultation wherever necessary.

As for specialist out-patient services, while no regular mechanism has been established for accepting referrals made by medical institutions outside Hong Kong for Hong Kong residents to receive treatment at specialist out-patient clinics of public hospitals in Hong Kong, specialist out-patient clinics under the HA do accept referrals made by registered medical practitioners practising in Hong Kong. As long as a patient has obtained a referral from a registered medical practitioner practising in Hong Kong, he/she can receive specialist out-patient services provided by the HA.

Greening Works in Hong Kong

9. **MR WONG KWOK-KIN** (in Chinese): *President, in recent years, there has been growing concern about environmental greening plans in the local community. The Government has also put forward a greening policy "striving to uplift the quality of our living environment through active planting, proper maintenance and preservation of trees together with other vegetation", and it is committed to implementing and developing greening master plans (GMPs). In this connection, will the Government inform this Council:*

(a) whether it knows the respective numbers of trees and shrubs which had been newly planted and removed in each of the 18 District Council districts (18 districts) in the past three years;

(b) of the details in implementing the respective GMP in each of the 18 districts at present;

(c) given that information from the Civil Engineering and Development Department reveals that different themes and subsequently the species of trees to be planted will be established for the GMP of each district, of the authorities' considerations in deciding on the themes;

(d) given that the authorities have devised short-term, medium-term and long-term proposals for each GMP, of the positions at present in implementing the short-term, medium-term and long-term proposals for the GMPs of various districts, and whether the original objectives set by the Government can be achieved; if not, of the reasons for that;

(e) given that some members of the public have reflected that although Bauhinia blakeana is the city flower of Hong Kong, it is not commonly seen in the city, whether the authorities keep statistics on the total number of Bauhinia blakeana trees planted throughout Hong Kong at present, with a breakdown of such figure by the 18 districts; of the places where Bauhinia blakeana trees are usually planted; if such information is not available, whether the authorities will keep record of it; and

(f) whether the authorities have plans in place at present to promote the planting of Bauhinia blakeana trees; if not, of the reasons for that?

SECRETARY FOR DEVELOPMENT (in Chinese): President,

(a) The respective numbers of newly planted trees and shrubs and the trees removed across in Hong Kong over the past three years are as follows:

Financial year	*Number of trees planted*	*Number of shrubs planted*	*Number of trees removed*
2009-2010	1 200 000	7 200 000	19 300
2010-2011	1 100 000	8 300 000	23 400
2011-2012	860 000	6 510 000	17 300

The trees were removed mainly because of health or structural problems, damage caused by inclement weather or the need to make way for works projects. The Development Bureau does not maintain separate statistics on the number of plantings and shrub removal in different districts.

(b) The Development Bureau has been actively promoting greening over the years in order to improve air quality, mitigate the heat island effect and generally improve our living environment. The development of district-based GMPs is one of the initiatives under our overall greening efforts to bring about visible improvements to our built-up areas. A GMP provides a coherent, overarching greening framework, defined by a greening theme and a palette of plant species, to guide the planning, design and implementation of greening works in an area/district. Please refer to the table below for the implementation of the urban GMPs.

Phase	*District*	*Date of Completion*	*Actual number of trees planted*	
			Trees	*Shrubs*
1	Tsim Sha Tsui	May 2007	680	145 000
	Central		570	155 000
2	Mong Kok/Yaumatei	December 2009	4 170	860 000
	Sheung Wan/Wan Chai/Causeway Bay		2 230	520 000

Phase	*District*	*Date of Completion*	*Actual number of trees planted*	
			Trees	*Shrubs*
3	The remaining urban districts:	June 2011		
	- Kwun Tong		5 230	1 255 100
	- Wong Tai Sin		1 670	463 000
	- Sham Shui Po		3 210	540 000
	- Kowloon City		2 690	442 000
	- Western District		900	96 500
	- Southern District		1 440	255 500
	- Eastern District		2 100	400 000
Total			24 890	5 132 100

We are now formulating the NT GMPs. The NTSE (covering Sha Tin and Sai Kung) and NTNW (covering Tuen Mun and Yuen Long) GMP studies commenced in May 2011. It is expected that the GMPs of the concerned districts will be available in end 2013. The NTNE (covering Tai Po and North District) and NTSW (covering Tsuen Wan, Kwai Tsing and Islands District) GMP studies commenced in February 2012, and the GMPs will be available in around mid-2014. We will implement the greening works under the finalized GMPs in due course, subject to the availability of funding under the established mechanism.

(c) To formulate the greening themes for the various districts, factors such as the characteristics of the districts, historical background, public's views and expectations, existing plant species and the future development of the districts will be considered. For example, "Heart of Gold" is adopted as the theme for the GMP for Central to reflect this district's role as the financial centre of Hong Kong. This theme is complemented by a range of plant species with golden, yellow, orange or red flowers and foliage. Public engagement is a key process in the development and implementation of GMPs. To ensure that the GMPs will meet the needs and aspirations of the local community, we adopt the Enhanced Partnering Approach whereby we closely involve the District Councils and the local communities in the development and implementation of the GMPs.

(d) We have completed the development of GMPs for all the nine urban areas in three phases. The nine urban districts are Yau Tsim Mong,

Sham Shui Po, Kowloon City, Wong Tai Sin, Kwun Tong, Wan Chai, Central and Western District, Southern District, and Eastern District.

All the feasible short-term measures in the urban GMPs were completed in June 2011, a total of 24 890 trees and 5.13 million shrubs were planted.

The urban GMPs cover greening measures to be implemented in the medium term and long term. Medium-term measures are dependent on others' projects or require private participation. As for long-term measures, they depict the ultimate greening vision and include proposals such as tree corridors, widening of pavement, building setback, and so on, which can only be achieved in conjunction with urban renewal.

The implementation of these measures involves many issues which are outside the control of the Government, for example, co-operation of developers and owners of private properties and the pace of urban renewal. We also need to carefully consider how to minimize the impact on the residents due to relocation of underground utilities. All these issues are difficult and complicated. The Development Bureau started to follow up the medium and long-term measures developed in the first two phases of urban GMPs in 2011. We have liaised and encouraged the organizations concerned to participate in implementing the feasible measures. We will adopt a pragmatic attitude in liaising with the relevant parties for the feasibility of implementing the medium and long-term greening measures of the GMPs.

(e) Tree species under Bauhinia genus including Bauhinia blakeana (Hong Kong Orchid tree) is commonly used for greening works and adopted in many parks, open spaces and housing estates. As this genus is not wind-resistant and its branches are easily broken by strong wind, it is not suitable for planting in windy spots. It is usually planted together with other species of plants. The Development Bureau does not have any statistics on Bauhinia genus including Bauhinia blakeana (Hong Kong Orchid tree).

(f) "Right-species-at-the-right-place" principle is adopted in selecting plant species. Landscape design takes into account factors like concept of the design, overall theme, functional needs, environmental factors, and so on, to achieve the desired greening and design effect. The characteristics and growing condition for a particular plant also need to be considered. For instance, wind-resistant species, such as Thespesia populnea and Terminalia mantaly, are planted along waterfronts. As Bauhinia genus is susceptible to strong wind, there is no plan to grow this genus or Bauhinia blakeana extensively in Hong Kong at the moment.

North East New Territories New Development Areas Planning and Engineering Study

10. **MR CHAN HAK-KAN** (in Chinese): *President, last month, the Development Bureau launched the Stage Three Public Engagement Exercise for the North East New Territories New Development Areas Planning and Engineering Study (the NENT NDAs Study) and rolled out the Recommended Outline Development Plans (RODPs) for the three New Development Areas (NDAs) of Kwu Tung North (KTN), Fanling North (FLN) and Ping Che/Ta Kwu Ling (PC/TKL). However, when being asked by the media last month, the former Secretary for Development disclosed that after making reference to the past experience in new town development, it was decided that the percentage of the number of public rental housing (PRH) units in the total number of residential units in a new town could not exceed 50% in the future. In this connection, will the Government inform this Council:*

(a) of the order of development of the three aforesaid NDAs according to the existing time frame; the respective years of intake for the PRH and private residential units in these districts;

(b) of the standards or research findings to which the authorities have made reference in setting the indicator that the percentage of PRH units in a new town cannot exceed 50% in the future; whether such indicator will affect the quantity and time frame of PRH supply in the future;

(c) whether any land has been reserved for constructing Home Ownership Scheme (HOS) flats in the aforesaid three NDAs; if so, of the estimated number of units to be supplied and the time frame of the supply; if not, the reasons for that;

(d) given the proposal of developing the Kwu Tung railway station as the centre of development under the KTN planning, of the respective estimated time frame for launching the design and construction of this spur line as well as its commissioning; whether the construction of this spur line will commence earlier to avoid inadequacy in transportation to other districts and ancillary facilities for residents when they move in one after another;

(e) given the proximity of the FLN development projects to a number of existing large-scale residential estates, of the ways to mitigate the nuisances caused to nearby residents during the construction periods;

(f) of the anticipated impact of the FLN development projects on the passenger throughput at Sheung Shui and Fanling MTR stations; whether it will consider providing additional transport and ancillary facilities from Sheung Shui and Fan Ling to the urban area or expanding these two MTR stations; if it will, of the details; if not, the reasons for that;

(g) whether it will also improve the water quality of Ng Tung River and beautify both sides of the river during the development of FLN; if it will, of the details;

(h) of the reasons for proposing not to reserve any land in the PC/TKL NDA for the construction of PRH;

(i) given the development theme of "Quality Business/Residential Area" adopted for the PC/TKL NDA and the reservation of land for "Special Industry" use in the area, of the types of industries expected to move into the area and the economic benefits to be brought by them; and

(j) given that there are quite a number of private land lots in the aforesaid three NDAs, whether the authorities will adopt any new approach in handling relevant land disputes and compensation; if they will, of the details; if not, the reasons for that?

SECRETARY FOR DEVELOPMENT (in Chinese): President, the objective of implementing the NDAs is to cope with the growing population and to address the long-term housing and economic development needs of Hong Kong. The Civil Engineering and Development Department and the Planning Department are carrying out the NENT NDAs Study to establish a planning and development framework for the three NDAs, namely KTN, FLN and PC/TKL, and to prepare development plans and implementation strategy.

Taking into account the public views collected during the Stage One and Stage Two Public Engagement as well as the findings and recommendations of various technical assessments, the Study Consultants have refined the previous development proposals and formulated the RODPs. According to the RODPs, the NDAs will provide a total of about 53 800 new residential units that can accommodate a population of about 151 600. Overall, some 43% of the new residential units are for PRH and the remaining 57% for various types of private housing. The NDAs will create approximately 52 000 new jobs.

The Stage Three Public Engagement has commenced in mid-June this year and the public are invited to express their views on the RODPs for the three NDAs by the end of August. Information on the RODPs of the NENT NDAs and the Stage Three Public Engagement has been set out in the discussion paper for the meeting of the Panel on Development on 28 June 2012 (LC Paper No. CB(1)2207/11-12(03)).

For the various parts of the question, our reply is set out below:

(a) According to the current programme, the intake for the PRH units in the KTN and FLN NDAs is expected to start in 2022 at the earliest. The site formation works for the private residential sites in these two NDAs are scheduled for completion between 2018 and 2027, and between 2026 and 2028 for the PC/TKL NDA. The Government

will make available these private residential sites in the market in an orderly manner for development.

(b) In the planning of the NDAs, we have carefully considered various factors and aimed at building a socially integrated community. To tie in with the Study on the NDAs, we had commissioned the University of Hong Kong to conduct an independent study to review the development of Tin Shui Wai New Town and to make relevant recommendations. The study points out that special regard should be paid to the building of a balanced community and the planning of a balanced housing mix in the planning of the NDAs. We have also drawn on experience in the development of existing new towns and the views collected during the Stage Two Public Engagement (including the proposal for a balanced development between public and private housing in the NDAs). We believe that the proposed overall public-private housing mix of 43%:57% will help achieve a balanced community profile. The NDAs will provide as many as 23 100 PRH units which are scheduled for completion between 2022 and 2029.

(c) Subject to the results of further studies, we may identify suitable sites from the land designated for private housing in the NDAs for new HOS development. The exact number and the timetable for the disposal of the new HOS flats are not yet available.

(d) Given the guiding direction proposed in the "Hong Kong Moving Ahead: A Transport Strategy for the Future" that railways should form the backbone of the passenger transport system in Hong Kong, railway will be the main carrier under the external public transport strategy for the KTN NDA. The current consultancy study on the review and update of the Railway Development Strategy 2000 commissioned by the Highways Department, which is scheduled for completion in early 2013, includes the review on the construction of Kwu Tung Station. The Government will assess the external traffic and transport needs of the NDA and work out the arrangements for various public transport modes. Consideration will be given to the construction of the Kwu Tung Station on the existing East Rail Lok Ma Chau Spur Line to cope with the future traffic needs of the NDA.

We will keep pace with the planning and development progress of the NDA to timely design and construct the station for the provision of railway services in Kwu Tung.

(e) In accordance with the requirements stipulated in the Environmental Impact Assessment Ordinance, we will implement appropriate mitigation measures during the construction period to minimize the nuisance caused to the nearby residents, such as regular activation of the watering system to reduce dust emission and use of quiet equipment and erection of temporary noise barriers, and so on, to reduce noise impacts.

(f) The FLN NDA is located near the East Rail Sheung Shui Station and Fanling Station. We envisage that some of the people commuting to and from this NDA will use the East Rail services through the Sheung Shui Station and Fanling Station. The MTR Corporation will take account of information relating to the latest planning of the NDA, implementation arrangements and programme, and so on, in assessing the passenger volume brought by the NDA, and adopt appropriate measures to provide the NDA residents with comfortable and reliable railway services. Besides, the Transport Department will consider increasing appropriate public transport services having regard to population change, local development, prevailing condition of public transport services, passenger volume and passengers' needs, and so on.

(g) As there is a lack of sewerage facilities in some parts of the FLN NDA, such facilities will be constructed during the development of the NDA. This will help improve the water quality of Ng Tung River. Greening works will also be carried out along the banks of the river by building a continuous riverside promenade. The planning is set out in the Stage Three Public Engagement Digest, and the details will be worked out during the project design stage.

(h) In view of the limitation of infrastructure in the PC/TKL NDA and to achieve compatibility with the surrounding rural developments, it is considered not appropriate to develop higher-density PRH in the area.

(i) The 36-hectare Special Industries area in the PC/TKL NDA, which is to capitalize on the NDA's strategic location of being in proximity to Shenzhen and the Liantang/Heung Yuen Wai Boundary Control Point, will provide space for the development of high value-added and non-polluting special industries, including environmental and logistics industries. These industries, together with other local sectors, will create about 10 700 new jobs in the PC/TKL NDA.

(j) After careful consideration of the public comments collected during the Stage One and Stage Two Public Engagement, and to ensure that the NDA proposals can be implemented as scheduled, we now plan to adopt the Conventional New Town Approach for the development of the NDAs. Under this approach, the Government will resume and clear all the private land planned for public works projects, public housing and private developments, carry out site formation works and provide infrastructure before allocating the land for various purposes including disposal of the land planned for private developments in the market.

The implementation of the NDA proposals will inevitably affect private land. The Government will strive to ensure that the affected parties will be reasonably compensated or rehoused. We are now reviewing the current compensation and rehousing policy with a view to coming up with a more concrete arrangement before embarking on future major infrastructure projects (for example, NDAs).

Furthermore, in response to the request of the affected parties, we have reserved a piece of land of about 3.2 hectares in the KTN NDA for local rehousing of eligible affected households.

Operation of Agency for Volunteer Service

11. **MR LEUNG KWOK-HUNG** (in Chinese): *President, quite a number of staff members of charitable bodies have relayed to me that the Agency for Volunteer Service (AVS) is publicly funded, and since May this year, whenever charitable bodies request volunteer assistance from the Volunteer Photographers' Team (VPT) located at Sai Yuen Lane of Sai Ying Pun, and other Specialized*

Volunteer Talent Teams (SVTTs) under the AVS, the staff member who has newly taken over the charge of VPT and the person in charge of SVTTs have adopted a "political censorship" approach of asking the charitable bodies whether participation or co-operation of District Council (DC) members or Legislative Council Members is involved in the events concerned, or venues are hired by them for such events. According to the aforesaid staff members of charitable bodies, there was a previous case in which staff members of VPT and SVTTs, having learnt about the involvement and co-operation of some DC members and Legislative Council Members of the pro-democracy camp in a certain event, immediately indicated that they had to seek the approval of their superiors before they could start recruiting volunteers for the charitable bodies. There were also other cases of the AVS for the same reason deliberately reducing the number of volunteers provided to some charitable bodies, or even refused to provide volunteers to them. Such charitable bodies pointed out that the AVS had deliberately subjected their events to staffing difficulties, creating a situation akin to "political suppression". In this connection, will the Government inform this Council:

(a) of the total government funding applied for by the AVS in the past five years;

(b) whether any government official regularly monitors the AVS's services, so as to ensure proper use of public money; if so, of the responsible government department and the positions of the civil servants in charge; if not, why the Government does not monitor the quality of publicly-funded services;

(c) whether it knows if the AVS requires job applicants or its incumbent staff to declare their political affiliation or political stance; if the AVS does so, of the respective numbers of staff members from the pro-democracy and pro-establishment camps in the AVS at present; if not, the justifications for the AVS to require various charitable bodies seeking assistance to make declarations of political affiliation;

(d) whether it knows if the AVS's requirement for charitable bodies to make declarations of political affiliation was endorsed by its Board of Directors and approved by its Chief Executive Officer; if so, when such requirement was endorsed and approved, and whether all the

responsibilities are to be borne by its Board of Directors and Chief Executive Officer; if not, whether the persons in charge of VPT and SVTTs are to be held responsible;

(e) whether it knows the legal basis on which the AVS requires charitable bodies to make declarations of political affiliation;

(f) whether it will immediately ask AVS staff to immediately stop requiring charitable bodies seeking assistance to make declarations of political affiliation or subjecting them to political censorship; if it will, when it will do so; if not, of the reasons for that; and

(g) whether it will immediately appoint civil servants to the AVS's Board of Directors in order to monitor whether the AVS puts the funding provided by the Government to good use; if it will, of the government department to which the civil servants to be so appointed belong and their positions; if not, the reasons for that?

SECRETARY FOR HOME AFFAIRS (in Chinese): President, the AVS is an independent non-governmental organization. The AVS's volunteer referral service falls within its daily operation and the Home Affairs Bureau respects its independence. My reply to various parts of the question is as follows:

(a) Government subvention to the AVS is about $31 million in the five financial years from 2007 to 2012.

(b) The AVS submits its annual reports, annual financial reports, audit reports and reports of other purpose-specific grants to the subventing bureau and department (Home Affairs Bureau and Social Welfare Department respectively) every year for the purpose of monitoring the use of subvention.

(c) to (f)

The recruitment of the AVS's personnel is an internal matter. According to the AVS, it takes forward its work and services in line with its vision, mission and values. The AVS does not require declarations of political stance by non-profit making or charitable

bodies seeking its volunteer service, its incumbent staff or job applicants. The Volunteer Referral Programme of the AVS is operated according to its set principles. The key principles would include the activities concerned should be one not of commercial or profit-making nature, not for political and religious objective; the content and environment of the activity should not be foreseeably dangerous; the activity should not be unfair to the volunteers, and so on.

(g) Given that the AVS is an independent non-governmental organization, its organization structure is determined by the AVS on its own accord. The Home Affairs Bureau has no intention to interfere with its routine operation or its decision-making tier.

Youngsters' Participation in Football Betting

12. **MR WONG SING-CHI** (in Chinese): *President, the matches of the UEFA European Football Championship (the UEFA Euro) came to an end early this month and during the period when the UEFA Euro matches were held, various sectors were concerned about youngsters' participation in football betting. According to a survey conducted in the North District in mid-June this year, 5% of youngsters under the age of 17 had participated in football betting with their bets amounting to $100 or less on average on each occasion, and a 17-year-old respondent even indicated that he placed bets of up to $1,000 each time, and about 20% of youngsters were very familiar with the operation of football odds. The survey indicates that the problem of football betting among youngsters is serious. In this connection, will the Government inform this Council of:*

(a) the number of illegal football betting cases received by the authorities during the period when the UEFA Euro matches were held and the number of such cases involving minors (youngsters under 18 years of age);

(b) the respective numbers of requests for assistance received since 2008 by the gambling counselling hotline (GCH) and the Counselling and Treatment Centres for Problem and Pathological Gamblers (the Centres) which are financed by the Ping Wo Fund set

up by the Home Affairs Bureau; among such requests, the numbers of those from minors (youngsters under 18 years of age); the respective numbers of requests for assistance received by GCH and the Centres during the period when the UEFA Euro matches were held, and among them, the numbers of those from minors (youngsters under 18 years of age);

(c) the number of minors (youngsters under 18 years of age) arrested and prosecuted for participating in football betting since 2008; and

(d) the means used by the authorities to prevent minors (youngsters under 18 years of age) from participating in football betting and the measures in place to prevent them from participating in football betting through overseas gambling websites?

SECRETARY FOR HOME AFFAIRS (in Chinese): President,

(a) The police have strategies in place to combat illegal gambling through intelligence-led operations and will adjust the operational deployment flexibly depending on the actual situation. To combat the illegal gambling activities that might emerge during the UEFA Euro, the police conducted a new round of operations from June to July 2012. During the operations, the Organized Crime and Triad Bureau worked with the police districts to conduct intelligence-led law-enforcement actions across the territory, with a view to combating illegal gambling during the matches.

(b) The four Centres funded by the Ping Wo Fund provide telephone counselling and face-to-face counselling or other professional treatment. Please refer to Annex for relevant case figures.

During the UEFA Euro, the four Centres provided 743 cases of telephone counselling and 94 cases of face-to-face counselling or other professional treatment, including one case with client under the age of 18.

(c) The number of persons arrested for gambling offence is tabulated as follows:

Year	*2008*	*2009*	*2010*	*2011*	*2012 (up to April)*
Number of arrested persons	3 375	3 790	4 204	3 379	1 302

The police do not maintain statistics on the age distribution of persons arrested for gambling offences, or the statistics relating to those persons being prosecuted.

(d) The Betting Duty Ordinance (Cap. 108) and the licence issued by the Secretary for Home Affairs to the Hong Kong Jockey Club for conducting football betting stipulated that the licensee shall not accept or authorize any person to accept bets from juveniles, shall not accept bets in any premises to which juveniles are permitted to have access, and shall not pay dividends to juveniles. The Administration will also continue to conduct public education campaigns to educate the general public, in particular young people, to stay away from gambling. For instance, the Ping Wo Fund commissioned the Radio Television Hong Kong to organize territory-wide public education campaigns over the past few years to arouse the awareness of school students and young people of the negative impact of gambling. A series of activities were held under the campaigns, for example, Announcement in the Public Interest design competition and inter-school football matches, and so on.

All along, the police have strategies in place to firmly combat illegal gambling activities through a four-pronged approach in respect of prevention, education, intelligence gathering and law enforcement. The police have also strengthened intelligence exchange with the Mainland and other law-enforcement authorities outside Hong Kong in combating cross-boundary crimes (including cross-boundary illegal gambling activities). The police will also conduct joint investigations and joint operations as necessary to combat cross-boundary illegal gambling activities effectively.

Annex

Case figures of the four counselling and treatment centres for problem and pathological gamblers funded by the Ping Wo Fund

Year	*Telephone counselling*	*Face-to-face counselling and other professional treatment*	*Clients under the age of 18*
2008	5 460	1 325	1
2009	5 198	1 249	6
2010	8 316	1 362	7
2011	8 003	1 313	6
2012 (first quarter)	1 997	325	2

Barrier-free Access and Facilities for Persons with Disabilities

13. **MS EMILY LAU** (in Chinese): *President, the Steering Committee on Population Policy Progress Report 2012 has forecast a shift from younger to older age groups in the Hong Kong population, and 25% of the total population would be above the age of 65 in 2029. In order to give effect to the Government's policy to encourage the elderly to participate actively in community life, a barrier-free community is one of the requisite conditions. In this connection, will the Government inform this Council whether:*

(a) the authorities have, in response to the ageing trend of the population, estimated the community's need for barrier-free access and facilities from the present to 2029, and the number of existing buildings posing an unfriendly environment to the elderly and thus in need of improvement; if so, of the results; if not, whether relevant estimation will be made;

(b) it will look into countries with an ageing population such as Japan, and so on, to find out how the systems, policies and laws in these countries create a friendly environment for their elderly population;

(c) it will consider following the practices in places such as the United Kingdom and Australia, and so on, and employ professional access

consultants to provide professional advice on the design and provision of barrier-free access and facilities during the construction stage of buildings and public facilities as well as at different stages of service delivery, so as to ensure compliance with statutory requirements, and provision of the most appropriate access and facilities to cater for the different needs of persons with various types of disabilities; and

(d) it will follow the practice in Norway to formulate an action plan for universal design for 2025, which seeks to lay down a target for buildings and different modes of transport to achieve by 2025, together with the strategies and measures for achieving the target, so as to create a barrier-free community?

SECRETARY FOR LABOUR AND WELFARE (in Chinese): President, it is Government's established policy objective to provide barrier-free access and facilities for people in need (including persons with disabilities and the elderly) with a view to enabling them to access premises and make use of the facilities and services therein on an equal basis with others, thereby facilitating them to live independently, participate in full in various social activities and integrate into the community. To achieve this policy objective, the Government strives to build and make improvements towards a barrier-free environment. On the one hand, we have put in place relevant legislative and administrative measures with a view to providing people in need with reasonable access so that they can access the premises and move around in the community. On the other hand, we will continue to strive for promotion and implementation of the concept of a barrier-free society in collaboration with the rehabilitation sector, the business sector and the community. My reply to Ms Emily LAU's questions is as follows:

(a) to (d)

Section 72 of the Building (Planning) Regulations (B(P)R) under the Buildings Ordinance (Cap. 123) prescribes design requirements on barrier-free access and facilities to ensure that suitable barrier-free access and facilities are provided in buildings to meet the needs of persons with disabilities and elders. The Buildings Department (BD) also issued the Design Manual: Barrier Free Access (DM)

which provides guidelines on barrier-free access and facilities to supplement the provisions of section 72 of the B(P)R. All newly constructed buildings and any alterations, modifications or additions to existing buildings are required to comply with the latest barrier-free design standards as stated in the prevailing B(P)R and DM.

The DM was first published in 1984 and updated in 1997 and 2008 in light of the advancement in building technology and social development. In other words, following the introduction of the statutory requirements in 1984, all new buildings submitting their building plans after 1984 and any alterations/additions to existing buildings thereafter should have complied with the prevailing barrier-free design standards upon completion of their projects. Apart from providing guidelines on barrier-free access and facilities for persons with disabilities, the DM has included a chapter on the design guidelines for the elderly. The guidelines set out the design considerations which should be taken into account having regard to the special needs of elders and their common physical problems (such as unstable gait, unclear eyesight and tendency to fall easily, and so on) to ensure that elders can enjoy life in a more healthy and safe environment.

The BD will continue to collect views through various channels including the social welfare sector, the construction industry, the local community and relevant parties, and make reference to overseas experience in making amendments and updates to the content of the DM where necessary. Indeed, in the course of reviewing the DM in 2002, apart from conducting extensive consultation with the sectors, the stakeholders and the public at large, the BD also commissioned a consultancy study on the international standards and overseas experience by making reference to the practices of overseas countries including the United Kingdom, the United States, Australia, Japan and Norway. Having given due consideration to the information and views collected and taken into account the actual circumstances of Hong Kong, the Government put forward proposals for amendments to the DM 1997. Subsequently, the 2008 version of DM was published following approval of the

relevant amendments to the B(P)R by the Legislative Council. In the future reviews of the DM, the Government will continue to consult various sectors and make reference to relevant overseas experience with a view to continuously enhancing the barrier-free design standards.

While the Building Ordinance is not binding on Government premises and public housing estates, the Government indeed will observe the Universal Accessibility Best Practices and Guidelines devised by the Architectural Services Department, as well as the best practices set out in the DM, and whenever practicable, strive to achieve a standard beyond the statutory requirements when constructing new government buildings. On public housing estates, the Housing Authority has adopted universal design principles in public housing developments since 2002, in order to promote the concept of universal accessibility, to meet the diverse needs of users of all ages and persons with disabilities and to provide them with a barrier-free, convenient and safe living and social environment.

As regards barrier-free consultation service, the Environmental Advisory Services, which is operated by the Rehabaid Society under Government's subvention, provides community based architectural consultancy service, including provision of specialist information and consultation service on the design of buildings and amenities having regard to the environmental needs of persons with disabilities and the elderly. The service is provided by architectural professionals in collaboration with occupational therapists and physiotherapists in rehabilitation speciality. Apart from providing free advisory services to clients with disabilities, government departments and non-profit-making organizations, the agency also offers project management services for various organizations on a cost-recovery basis.

Land Resources and Land Use Planning in Hong Kong

14. **MR JAMES TO** (in Chinese): *President, the Government seeks to increase land supply in order to stabilize real estate development, and it*

increases housing land supply by multitude means, including rezoning, redevelopment, land resumption, and so on. It has been reported that the Planning Department (PlanD) has completed the second-phase review for rezoning 24 "Government, Institution or Community" (GIC) sites, and quite a number of them are undeveloped sites (including a site for a civic centre at Po Yap Road of Tseung Kwan O and a site for a stadium at On Luk Street of Ma On Shan) left over from the former Regional Council since 2000, which were intended for developing recreational and cultural facilities and have been left idle for more than 10 years. Such sites will be rezoned for residential development. In this connection, will the Government inform this Council:

(a) whether there is a set of established procedures for the Government to plan land use for specific purposes, for example, the construction of a stadium; why the aforesaid two sites in Tseung Kwan O and Ma On Shan which have been left idle for more than 10 years are still undeveloped;

(b) whether any GIC site in other districts had been left idle in a similar manner in the past 10 years; if so, of the details;

(c) given that the aforesaid reports pointed out that the site at On Luk Street of Ma On Shan, which was initially intended for the construction of a stadium, is now planned to be rezoned for residential development, whether the Government has any plan to identify another site for the construction of the stadium; if it has, of the details; if not, the reasons for that; and

(d) given that the Financial Secretary mentioned in his blog that at present, approximately 60 hectares of industrial land throughout Hong Kong can be converted to non-industrial uses, half of which can be converted to residential uses and, among them, four government industrial sites will be used for public rental housing and Home Ownership Scheme developments, whether the Government will carry out planning for anxillary community facilities so as to transform such industrial areas into residential areas?

SECRETARY FOR DEVELOPMENT (in Chinese): President, the Government is committed to adopting a multi-pronged approach to expand land resources with a view to building up a land reserve for Hong Kong to meet the land demand for housing and other social and economic developments. In this connection, we have to adopt a flexible mix of land supply options in order to provide adequate usable land to meet our short, medium and long term needs. The 2011-2012 Policy Address put forward six measures, including releasing industrial land; exploring the option of reclamation on an appropriate scale outside Victoria Harbour; exploring the use of rock caverns to reprovision suitable existing public facilities and releasing such sites for housing development; looking into the use of green belt areas that are devegetated, deserted or formed; exploring the possibility of converting into housing land some agricultural land in North District and Yuen Long currently used mainly for industrial purposes or temporary storage, or which is deserted and examining GIC sites.

Regarding the review of GIC sites, the PlanD has completed the relevant work and will follow up on those sites with potential for residential development. However, the sites mentioned in the question, namely the sites at Po Yap Road of Tseung Kwan O and On Luk Street of Ma On Shan, are not among the sites being regarded as having such potential. These two sites have been reserved for use as a civic centre and a sports centre respectively and there is no plan to rezone them for residential development. Should the Government intend to rezone any land, it will consult the public in accordance with established procedures.

My reply to the four-part question is as follows:

(a) According to the Hong Kong Planning Standards and Guidelines, general community facilities are provided on the basis of population size, while the needs of government departments and local factors will also be taken into account in the provision of specific facilities, thus ensuring an adequate provision of a wide range of community facilities for the local community.

Since its establishment in 2000, the Leisure and Cultural Services Department (LCSD) has been following up on about 140 leisure and cultural facility projects of the former Municipal Councils. The LCSD has been consulting the District Councils on the priorities of

these projects having regard to various major factors, such as population growth, the provision and demand for leisure facilities as well as their utilization in the respective districts, and carrying out planning works for the priority projects.

As mentioned in the preamble, the Government has no plan to rezone the two sites mentioned in the question, namely the sites at Po Yap Road of Tseung Kwan O and On Luk Street of Ma On Shan, for residential development. As far as Tseung Kwan O District is concerned, there are six community halls/community centres at present, including the new Hang Hau Community Hall which has just been come into operation last month. They can be used for small-scale performances. Besides, the indoor velodrome-cum-sports centre under construction in Area 45, Tseung Kwan O will have a seating capacity of 3 000, and will be equipped with a central multi-purpose arena for organizing performing arts activities (such as dancing and concerts) or large-scale ceremonies and gatherings. The project is expected to be completed in 2013. The Hong Kong Design Institute campus in Tiu Keng Leng also provides an auditorium and lecture theatres, and so on, for hire by outside organizations.

The Government will keep in view the requirement for cultural performance venues in Tseung Kwan O and will take this into consideration in planning the overall provision of cultural facilities in future.

Regarding Sha Tin District, the LCSD is planning the projects with high priorities accorded by the District Council in order to meet the needs of the residents in the district (including Ma On Shan). At present, there are five sports centres in Sha Tin District, two of which are in Ma On Shan. The LCSD is now seeking funding approval from the Legislative Council for the project in Area 14B, Sha Tin, which will provide a sports centre and a district library. Once funding approval has been obtained, the LCSD will commence the project as soon as possible. Meanwhile, the sports centre in Area 24D, Sha Tin and that at On Luk Street, Ma On Shan are also under planning by the LCSD.

(b) Regarding GIC sites reserved for specific purposes in other districts, these sites are reserved for other Policy Bureaux/departments and we do not have information on the period for which they have been vacant. Nevertheless, we regularly review with the Policy Bureaux/departments concerned on their needs for the sites reserved for them so as to prevent prolonged under-utilization of land being reserved but do not yet have specific development plans. If the originally proposed facilities are no longer needed, or if they can be co-located with other GIC facilities in the same complex, the Government will consider rezoning the site for other uses, including housing development.

On the other hand, if the reserved land is still needed for the proposed facilities, the Policy Bureaux/departments concerned will, under normal circumstances, determine the schedules for developing such facilities having regard to the demand for such facilities; the demographic changes within the district; the funding resources required for construction and operation of such facilities as well as their priorities. If the land concerned is not needed for immediate use, the Lands Department will consider and arrange temporary uses in order to optimize the use of land resources.

(c) As there is no plan to rezone for residential development the site reserved for the construction of a sports centre at On Luk Street of Ma On Shan, it is not necessary for the Government to identify another site for the construction of the said sports centre.

(d) In rezoning industrial land for residential use, the PlanD will make reference to the requirements of the Hong Kong Planning Standards and Guidelines to assess whether the infrastructural and community facilities as well as open space within the district are adequate when the population increases. We will closely monitor the situation in the districts concerned. Where necessary, we will propose to incorporate the required facilities into any planned public rental housing or Home Ownership Scheme developments, or identify suitable sites in the district for the provision of such facilities in order to cater for the needs of local residents.

Provision of Mental Health Services in North Lantau

15. **MR CHEUNG KWOK-CHE** (in Chinese): *President, it has been reported that the Hospital Authority (HA) anticipates that the North Lantau Hospital (NLH) will launch its services (including eight-hour accident and emergency services and out-patient services for four specialties, namely, medicine, surgery, orthopaedics and psychiatry in the first stage) in the third quarter of 2013. It is anticipated that the hospital will not be fully commissioned until 2016-2017. During its study on medical services in Tung Chung, the Government anticipated in 2007 that the population of Tung Chung New Town would be 89 000 in 2015. However, there are already 130 000 residents living in Tung Chung New Town at present, and the Government has anticipated that the population will increase to over 200 000. In this connection, will the Government inform this Council:*

(a) whether it knows the respective numbers of people with mental illness and people recovering from mental illness in Tung Chung New Town and the rural areas in Tung Chung at present, as well as the respective percentages of such numbers in the total population of North Lantau; the respective numbers of people with mental illness and people recovering from mental illness who are aged 60 or above in various districts in Hong Kong;

(b) given that some social workers have reflected that people with mental illness and people recovering from mental illness in Tung Chung are unable to receive psychiatric services in Tung Chung District, whether it knows if the general out-patient clinic (GOPC) of Tung Chung Health Centre at present provides psychiatric out-patient services for people with mental illness and people recovering from mental illness; if it does, the details; if not, the reasons for that; given that some social workers have pointed out that the launch of the Integrated Mental Health Programme (IMHP) at GOPC will facilitate the mental rehabilitation of people with mental illness and people recovering from mental illness, whether it knows if the HA will consider launching IMHP at GOPC of Tung Chung Health Centre; if it will, the details; if not, the reasons for that;

(c) whether it knows if the people with mental illness and people recovering from mental illness on Lantau Island at present will be referred to NLH to receive its services in the future; if they will, the details; if not, the reasons for that;

(d) given that some people with mental illness and people recovering from mental illness who live in Tung Chung have pointed out that as they have to go to Queen Mary Hospital for follow-up consultations, the long distance and high transport costs add to their psychological, mental and economic pressure, lower their desire for follow-up consultations and increase their chances of relapse, whether the authorities know if the HA will arrange for these people to go to Kwai Chung Hospital for follow-up consultations; if it will, the details; if not, the reasons for that; whether the HA is unable to refer patients to hospitals in suitable districts in response to their change in home address; the HA's principles for determining the location of follow-up consultations arranged for people with mental illness and people recovering from mental illness, and whether the location of the patients' present residence will be given prime consideration; and

(e) given that the Integrated Community Centre for Mental Wellness (ICCMW) serving the Islands District still does not have any service point or permanent site on Lantau Island, to tie in with the provision of support for people recovering from mental illness and help them integrate into the community as early as possible, whether the authorities will request The Link Management Limited to change the use of the vacant car park No. 3 at Yat Tung Estate in Tung Chung and expeditiously launch ICCMW's services there; if they will, of the details; if not, the reasons for that?

SECRETARY FOR FOOD AND HEALTH (in Chinese): President, to cope with the long-term development and population growth of the North Lantau New Town and the Lantau area, and considering that the Hong Kong International Airport and some major tourist facilities are situated in North Lantau, and given the distance and travelling time from the North Lantau New Town to other acute hospitals, we have decided to develop a new hospital in North Lantau before the

population in the district reaches the relevant level under the general planning standard. Under the existing cluster arrangement of the HA, NLH will be managed by the Kowloon West Cluster of the HA. Hospitals under the Kowloon West Cluster, leading by the Princess Margaret Hospital, will provide support to the services of NLH.

The reply to various parts of the question is as follows:

(a) Currently, there are about 1 500 people with mental illness living in the new town area at North Lantau who have received various psychiatric services provided by the HA. In 2011-2012, the number of elderly persons aged 60 or above who have received psychiatric services in various hospital clusters under the HA is set out below:

HA cluster	*Number of elderly persons aged 60 or above who have received psychiatric services in 2011-2012 (in round number)*
Hong Kong East	6 380
Hong Kong West	4 240
Kowloon Central	5 860
Kowloon East	6 710
Kowloon West	16 440(1)
New Territories East	8 340
New Territories West	7 500
HA Overall	54 520(2)

Notes:

(1) The number of Kowloon West Cluster is higher mainly because the population coverage of Kowloon West Cluster is around 27% of the Hong Kong population, which is higher than that of other clusters.

(2) Since some elderly persons have received services in more than one cluster, the numbers of patients of the clusters do not add up to the HA overall figure.

(b) At present, GOPC of the Tung Chung Health Centre provides general out-patient services for local residents, including people with mild mental problem. Doctors at GOPC will arrange these patients to receive appropriate treatment and support according to their clinical conditions and, where necessary, refer them to psychiatric

specialist out-patient clinics or GOPCs covered by the IMHP for further follow-up.

IMHP was launched by the HA at selected GOPCs of five HA clusters (Hong Kong East, Hong Kong West, Kowloon East, Kowloon West and New Territories East) in October 2010 to provide better support to patients in the primary care settings. In 2011-2012, the programme has been expanded to cover all clusters. Under the programme, patients with stabilized conditions will be provided with maintenance treatment by psychiatrists, family medicine specialists and general practitioners working in multi-disciplinary teams at the Common Mental Disorder Clinics. The HA will continue to monitor the demand for primary care services in each district and make flexible deployment of manpower and other resources having regard to the relevant factors, so as to provide the local community with appropriate mental health services.

(c) At present, the HA provides psychiatric specialist services (including in-patient services, specialist out-patient services, day training and community psychiatric services) to people with mental illness living in the new town area at North Lantau through the Kwai Chung Hospital under the Kowloon West Cluster. To further strengthen the services, the HA will consider launching psychiatric specialist services such as community psychiatric services, psychiatric consultation-liaison services in Accident and Emergency Department as well as psychiatric specialist out-patient services in the planned NLH as necessary so as to provide more comprehensive support to residents in North Lantau.

(d) The HA always gives foremost consideration to the location of the patients' residence when arranging patients to receive specialist follow-up in suitable HA clusters. At present, most of the people with mental illness living in the new town area at North Lantau have been arranged to receive psychiatric specialist follow-up at the Kwai Chung Hospital under the Kowloon West Cluster.

(e) The Social Welfare Department (SWD) has set up ICCMWs at 24 service points across the territory to provide one-stop, district-based

and accessible community support and social rehabilitation services ranging from early prevention to risk management for discharged mental patients, persons with suspected mental health problems, their families/carers and residents living in the serving districts.

ICCMW services in the Islands District are operated by the New Life Psychiatric Rehabilitation Association (NLPRA). While ICCMW in the Islands District has not yet secured a permanent accommodation, NLPRA will continue to make use of existing service facilities and networks in the district to provide services for users. Following consultation with the Housing Department, we have secured a vacant site at the ground floor of Luk Yat House, Yat Tung Estate in Tung Chung for use as a temporary office of NLPRA. Local consultation has been completed and fitting-out works for the office will soon commence. As regards the vacant car park No. 3 at Yat Tung Estate, the Link Management Limited has indicated that there will be no change to its land use for the time being.

The SWD and NLPRA will continue to identify suitable premises in the district for use as the permanent accommodation of this ICCMW.

Medical Incidents Involving Newborn Babies

16. **MR PAUL TSE** (in Chinese): *President, it has been reported that a newborn baby boy had his finger almost cut to the bone during the caesarean delivery process performed for his mother at Kwong Wah Hospital; when the baby boy was less than a month old, his large intestine was perforated during the examination by suprapubic tapping, which was suspected to be the cause leading to his subsequent rectal constriction and intestinal abscess, and an operation was arranged to be performed on him to remove part of the obstructed rectum and an abdominal stoma was created for defecation. The baby boy is barely four months old and he has been put under general anaesthesia for three times and has repeatedly been injected antibiotics with his abdomen incised for removal of necrotic intestine. While Kwong Wah Hospital pointed out in its reply letter to the baby boy's mother on 30 May this year that there was a "known uncommon risk" that babies might be cut during delivery and their large intestine might be perforated when suprapubic tapping was performed, the President of the Hong*

Kong Medical Association pointed out that doctors cutting the baby's finger when performing caesarean section on the mother was uncommon and it was also uncommon that baby's intestine was perforated during urine sample collection. He also indicated that accidents could be avoided if an ultrasound scan was performed to confirm the location before tapping for urine sample collection, and hence, this was obviously a technical fault of the doctor and parents could seek compensation. Apart from the aforesaid case, a magazine also reported quite a number of other medical incidents involving newborn babies. In this connection, will the Government inform this Council:

(a) whether it has followed up the aforesaid case; if so, of the progress;

(b) whether it knows the numbers of medical incidents involving newborn babies in public hospitals under the Hospital Authority (HA) in each of the past five years, as well as the numbers of relevant complaints received; how many cases were proved to be caused by human errors and negligence upon investigation;

(c) given that the President of the Hong Kong Medical Association has pointed out that the aforesaid incident is an "obvious(ly) technical fault", "the blunder may be related to staff shortage in public hospitals" and that "with so many patients, blunders are unavoidable in such busy schedules, and patients' rights can be safeguarded only if the authorities tackle expeditiously these problems", whether it knows if the HA has investigated whether a number of medical incidents involving newborn babies were caused by shortage of staff; if it has, of the investigation result; if not, whether an investigation will be conducted immediately; in addition, what policies and measures are in place to prevent the recurrence of medical incidents involving newborn babies in public hospitals; and

(d) given that a representative of a patients' rights group has pointed out that doctors are investigated by their peers under the existing complaint handling mechanism, which might not be fair, and most people seeking assistance would give up pursuing because of the hassle involved, whether the Government has reviewed the existing complaint mechanism to enhance the objectivity of the mechanism?

SECRETARY FOR FOOD AND HEALTH (in Chinese): President, with the increasing advancement of medical technology, treatment procedures have become more sophisticated. The emergence of complications, the side-effects of drugs, as well as the changes in patients' conditions may also increase the risks involved in treatment procedures. In the event that a medical incident occurs, it is necessary to conduct a detailed analysis to find out whether it is caused by known risks, complications, clinical conditions of the patient or human factors. Since not all treatment procedures can achieve 100% of their intended medical outcome, healthcare professionals will explain to the patient and his/her family members in detail the treatment procedures involved, including the known risks and possible complications, and so on, before the treatment is carried out.

My reply to the various parts of the question is as follows:

(a) The sick baby involved in the case mentioned in the question has already undergone surgical procedures and his recovery is progressing in a satisfactory manner. The hospital concerned has also arranged follow-up consultation for the baby to follow up on his conditions.

(b) and (c)

The HA has all along attached great importance to the quality of its services and patient safety and has since 2004 introduced an electronic Advanced Incidents Reporting System to enable front-line staff to report incidents directly. Subsequently, the HA has also implemented a Sentinel and Serious Untoward Events Policy to standardize the process for reporting, investigation and management of these medical incidents in public hospitals to facilitate immediate and proper handling of the incidents so as to minimize any possible harm caused to patients, their family members and the staff involved and provide them with the necessary support.

The number of complaints received by the HA regarding its medical services since 2007 is set out in Table 1, and the number of sentinel and serious untoward events is set out in Table 2.

Table 1: Number of complaints received by the HA regarding its medical services

Year	*2007*	*2008*	*2009*	*2010*	*2011*
Number of complaints(1)	1 025	913	922	1 035	1 194

Note:

(1) The HA does not have a breakdown of complaints for cases involving newborn babies.

Table 2: Number of the HA's sentinel and serious untoward events

Period	*1/10/2007 to 30/9/2008*	*1/10/2008 to 30/9/2009*	*1/10/2009 to 30/9/2010*	*1/10/2010 to 30/9/2011*
Sentinel events (involving newborn babies)	44(1)	40(0)	33(0)	44(0)
Serious untoward events (involving newborn babies)	NA(2)	NA(2)	81(0)(3)	97(1)

Notes:

(2) The HA included two categories of serious untoward events (namely, medication error and misidentification of patient that could have led to death or permanent harm) into the reporting mechanism in January 2010. No relevant figures are therefore available before 2010.

(3) The relevant period covered is from January to September 2010.

Although the number of medical incidents in public hospitals in Hong Kong remains stable generally, the HA has handled each and every of these cases in a serious manner. Each sentinel event and serious untoward event will be investigated by an expert panel appointed by the HA, with a view to identifying the likely causes of the incident and formulating improvement measures.

The HA has over the years sought to ensure service standards and continued to improve service quality through implementing measures such as hospital accreditation, clinical audits, schemes to monitor and improve the effectiveness of surgical services, mechanisms for introducing new medical technology and drug

handling, as well as internal mechanism to govern research ethics, and so on. In addition, the HA has established a clinical governance structure to safeguard the service quality of clinical departments, and provide training, clinical guidance and supervision to staff in various grades to ensure professional standards and patient safety. The HA has also engaged overseas experts to conduct a review on its clinical governance system with reference to the highest international standards. The HA will study in details and follow up on the improvement recommendations as appropriate upon completion of the review.

(d) The HA has established a two-tier complaint system, with checks and balances, to handle complaints. There is a Patient Relations Officer or Patient Relations Manager in each of the hospitals under the HA. Their role is to deal with complaints from patients and their families and provide them with assistance, which includes assisting them to take legal action where necessary. Therefore, all initial complaints and views will be handled and responded to directly by the hospitals or clinics concerned.

If the complainant wishes to put forward further views or is not satisfied with the handling or outcome of his/her complaint, he/she can file an appeal with the Public Complaints Committee (PCC) of the HA. PCC is responsible for deliberating and adjudicating all appeal cases independently and making service improvement recommendations to hospitals. It is comprised of a total of 24 members with 20 of them having no affiliation with the HA. As one of the special features of PCC, 17 of its 24 members are non-medical professionals coming from different sectors of the community, including patients' representatives. By virtue of the independent status of its members, we believe that PCC can handle all complaints fairly and impartially.

Performances to Celebrate 15th Anniversary of Reunification of Hong Kong

17. **MR KAM NAI-WAI** (in Chinese): *President, to celebrate the 15th anniversary of the reunification of Hong Kong, the 8-1 Parachute Brigade of the People's Liberation Army (8-1 Parachute Brigade) came to Hong Kong to*

stage a performance at the Hong Kong Stadium on 1 July this year. However, the performance was not open to the public and the organizations that hosted the performance (hereinafter referred as "the Organizers") distributed the admission tickets to their affiliates or members only. In this connection, will the Government inform this Council:

(a) whether it knows the individuals or organizations that had invited the 8-1 Parachute Brigade to perform in Hong Kong; whether the SAR Government had assisted in extending the invitation; whether the 8-1 Parachute Brigade's visit to Hong Kong had been supported by the SAR Government; whether the Organizers had successfully invited the 8-1 Parachute Brigade to Hong Kong through the assistance of the SAR Government;

(b) whether the Organizers had, in respect of the aforesaid activity, applied for waiver of charges for hiring the Hong Kong Stadium; whether the Government had offered any subvention for the activity; if it had, why the admission tickets for the activity were distributed to members of the organizations concerned only; if not, of the amount of charges paid by the Organizers; whether a discount had been offered; if so, how such discount had been calculated;

(c) under what circumstances the Leisure and Cultural Services Department (LCSD) requests the organizations holding activities at government venues to allocate a certain proportion of admission tickets for free distribution to the general public;

(d) regarding the aforesaid performance held at the Hong Kong Stadium on 1 July this year, why the LCSD only provided the venue concerned to the Organizers, and the Home Affairs Bureau did not co-ordinate or host the performance which was one of the activities held in celebration of the reunification;

(e) of the principles based on which the authorities had fairly dealt with the applications lodged by the large number of organizations at the same time for hiring the Hong Kong Stadium for holding activities on 1 July this year in celebration of the 15th anniversary of the reunification of Hong Kong; and

(f) given that the Hong Kong Stadium is a vast public space, and the aforesaid activity was held on the day of the 15th anniversary of the reunification of Hong Kong, why the authorities had leased public resources to individual organizations on such an important day, thereby barring the general public from participating in the activity held at the Hong Kong Stadium in celebration of the reunification on that day?

SECRETARY FOR HOME AFFAIRS (in Chinese): President, my reply to the six parts of the question is as follows:

(a) The Hong Kong Celebrations Association (HKCA) is the organizer of the activity to celebrate the 15th Anniversary of Hong Kong's Reunification at the Hong Kong Stadium on 1 July this year. Established in October 2006, the HKCA is a non-profit-making organization. Its incumbent chairman is Mr CHENG Yiu-tong. Through organizing celebration events on various festivals in Hong Kong, the HKCA aims at enhancing social participation, promoting the sense of national identity and building a harmonious community.

The HKCA comprises 15 co-organizers, namely the Chinese General Chamber of Commerce, the Chinese Manufacturers' Association of Hong Kong, the Hong Kong Chinese Importers & Exporters' Association, the Hong Kong Chinese Enterprises Association, the Hong Kong Federation of Trade Unions, the Federation of Hong Kong Guangdong Community Organisations Ltd., the Hong Kong Federation of Fujian Associations, the Hong Kong Island Federation Limited, the Kowloon Federation of Associations, the New Territories Association of Societies, the Hong Kong Federation of Education Workers, the Hong Kong Federation of Overseas Chinese Association, the Hong Kong Hainan Commercial Association, the Federation of HK Guangxi Community Organisations Limited and the Alliance for Families Reunion.

The HKCA directly invited the 8-1 Parachute Brigade to stage a performance in Hong Kong on 1 July this year, and the SAR Government did not assist in extending the invitation. To facilitate

the performance, a "restricted flying zone" was set up by the Civil Aviation Department to ensure air traffic safety.

(b) According to the current fee-charging policy for use of the Hong Kong Stadium, the basic hire charge for events with gate receipts is $150,000 per day or 20% of the gross receipts. For non-profit-making community or charitable activities organized by registered charitable organizations or non-profit-making organizations, the LCSD will only charge the direct expenses it has incurred for the activity concerned, including the expenses for recruiting cleaners, security guards and ushers, and so on, plus 10% of the direct expenses as administration fee.

The HKCA is a registered charitable organization, and the activity concerned was non-profit-making in nature, without any gate receipts. A total of around $200,000 was charged for the direct expenses and the administration fee according to the existing fee-charging policy for use of the Hong Kong Stadium. The HKCA did not apply for waiver of charges for the above activity.

(c) As far as the hiring of the LCSD's venues to hold activities for free admission is concerned, the Department does not set any restrictions on public distribution of free tickets.

(d) and (e)

As the Government had no plan to hold any event to celebrate reunification at the Hong Kong Stadium on 1 July this year, the venue was available for hire by other organizations. According to its established practice, where more than one application is received for hiring the same venue for the same session, including the Hong Kong Stadium, the LCSD will co-ordinate such applications by negotiating with the organizations concerned. As the application from the HKCA for use of the Hong Kong Stadium on 1 July was the only application received, the Department handled it in accordance with its established practice, and co-ordination by the Home Affairs Bureau is not required.

(f) According to the information stated in the HKCA's application for use of the Hong Kong Stadium on 1 July to celebrate the 15th Anniversary of Hong Kong's Reunification, the activity concerned was for free patronage by approximately 40 000 people from all walks of life. On the same day, a variety of activities to celebrate Hong Kong's Reunification were also held throughout Hong Kong by various organizations for public patronage.

Policy Bureaux's Replies to Questions Asked by Legislative Council Members

18. **MR PAUL TSE** (in Chinese): *President, the tourism sector and some members of the public have repeatedly relayed to me their disappointment at the irrelevant and hasty replies of the government officials to the questions of the Legislative Council Members. For instance, I once raised a question to query the Civil Aviation Department's justifications for approving the implementation of zero commission paid to travel agents by airlines in respect of air tickets sold and the method used for calculating passenger fuel surcharges of airlines, and the reply made by the Transport and Housing Bureau was regarded as irrelevant by the tourism sector and some tourists. Moreover, the Government has not given any concrete reply to my question which requested that the tourism facilities in Lei Yue Mun be enhanced and more tourism facilities be expeditiously constructed there to complement the commissioning of the cruise terminal next year. In this connection, will the Government inform this Council:*

(a) what mechanism is in place to ensure that the various Policy Bureaux will reply earnestly to the questions of the Legislative Council Members in the future after the restructuring of the new Government and that their replies will not be irrelevant;

(b) whether it has assessed if the inadequate replies to the Legislative Council Members' questions previously made by various Policy Bureaux on many occasions have or will have any adverse impact on the interaction and relation between the executive authorities and the legislature; if it has, of the assessment results; if not, the reason for that; whether it can conduct such an assessment expeditiously

with the restructuring of the new Government and prorogation of the Legislative Council; and

(c) whether in the past four years it had conducted any consultation or review of the Legislative Council Members' satisfaction level towards the Government's replies to their questions and striven to raise the quality of the replies and ensured their relevance; if it had, of the results; if not, the reasons for that; of the policies and measures which the governing team of the new Chief Executive will adopt to avoid recurrences of the aforesaid situation?

CHIEF SECRETARY FOR ADMINISTRATION (in Chinese): President, my consolidated reply to the questions raised by Mr Paul TSE is as follows:

The Chief Executive attaches great importance to the relationship between the legislature and the executive. In his speech at the Inauguration Ceremony of the Fourth Term Government, he made it clear that the relationship between the legislature and the executive is an integral part of governance, and hoped that his Government would strengthen communication and co-operation with the Legislative Council.

We respect the role of the Legislative Council in monitoring the work of the Government and will actively co-ordinate with the Legislative Council Members to facilitate them in performing this role. As regards Members' questions put to the Administration, we will strive to address Members' concerns raised therein by explaining our policies and furnishing Members with the information required. If the public officer concerned cannot provide the information requested, he/she will explain in the reply the reasons for not being able to do so. For example, the question seeks a large amount of information or historic information which cannot be provided given the time constraint.

There is a time limit for public officers to reply to questions raised at Council meetings. If Members wish to explore the relevant matters further, they may request the Administration to provide supplementary information in writing, and may also follow up and discuss the matters at meetings of relevant panels and subcommittees. Members may also contact Policy Bureaux direct anytime to further discuss points of details of their questions and related policies. As such,

we consider that there are sufficient channels to ensure that Policy Bureaux will earnestly and seriously reply to Members' questions.

Elderly and Child Dependency Ratios

19. **MR ALAN LEONG** (in Chinese): *President, regarding the elderly and child dependency ratios, will the Government inform this Council whether it knows:*

(a) the number of adults who need to maintain elderly people aged 65 and above, with a breakdown according to the table below;

Number of elderly people aged 65 and above being concurrently maintained	*Number of adults who need to maintain elderly people*
5 or more	
4	
3	
2	
1	
0	

(b) the monthly income of the adults who need to maintain elderly people aged 65 and above, with a breakdown according to the table below; and

Number of elderly people aged 65 and above being concurrently maintained	*Monthly income of adults who need to maintain elderly people*			
	Below $10,000	*$10,000 to $25,000*	*$25,000 to $50,000*	*Above $50,000*
5 or more				
4				
3				
2				
1				
0				

(c) the number of adults who need to maintain concurrently elderly people aged 65 and above as well as children aged below 18, with a breakdown according to the table below?

Number of elderly people aged 65 and above being concurrently maintained	*Number of children being concurrently maintained*			
	1	*2*	*3*	*4 or more*
5 or more				
4				
3				
2				
1				
0				

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Chinese): President, "dependency ratios" are statistical indicators which reflect the overall burden of a society. According to common international statistical practice, "dependency ratios" refer to the number of persons aged under 15 and/or those aged 65 and above per 1 000 persons aged between 15 and 64. Based on population census/by-census and other statistical data, the Census and Statistics Department (C&SD) regularly compiles "dependency ratios". In 2011, the child dependency ratio, elderly dependency ratio and overall dependency ratio of Hong Kong are as follows:

Child dependency ratio (The number of persons aged under 15 per 1 000 persons aged between 15 and 64)	155
Elderly dependency ratio (The number of persons aged 65 and above per 1 000 persons aged between 15 and 64)	177
Overall dependency ratio (The number of persons aged under 15 and those aged 65 and above per 1 000 persons aged between 15 and 64)	333

The C&SD does not collect or compile data on the dependent elderly persons and/or children maintained by individual adults. Therefore, we cannot

provide the breakdown figures as requested in parts (a), (b) and (c) of the question raised by Mr Alan LEONG.

Reducing Styrofoam Waste

20. **MRS REGINA IP** (in Chinese): *President, treatment of municipal solid waste (MSW) by the authorities is of public concern, and polystyrene foam plastic (commonly known as "styrofoam") tableware accounts for a certain quantity of domestic waste. According to Monitoring of Solid Waste in Hong Kong — Waste Statistics for 2010 published by the Environmental Protection Department (EPD), styrofoam tableware disposed of at landfills amounted to 32 tonnes a day. In this connection, will the Government inform this Council:*

(a) of the details of the quantities of various types of styrofoam waste and the respective percentages of such quantities in the total quantity of MSW in Hong Kong in the past three years;

(b) of the total number of food containers disposed of by primary and secondary schools in Hong Kong in the past three years; among such containers, of the respective percentages of the numbers of disposable styrofoam food containers and food containers which can be recovered for recycling in the total number of food containers disposed of; in addition to implementing the Green Lunch Charter and providing funding to help schools adopt on-site meal portioning, of the details of the policies and measures adopted by the authorities at present for reducing the use of disposable styrofoam food containers by schools;

(c) whether the authorities have considered providing economic incentives (for example, tax concessions) to catering suppliers to encourage them to provide food containers which can be recovered for recycling instead of styrofoam food containers; if they have, of the progress; if not, the details of the targeted measures adopted by the authorities; and

(d) of the specific plans adopted respectively by the authorities at present in relation to the treatment and reduction of various types of styrofoam waste; whether the authorities have made reference to the

experience of foreign countries; if they have, of the specific details, as well as the progress of the current plans of the authorities?

SECRETARY FOR THE ENVIRONMENT (in Chinese): President,

(a) The quantities of styrofoam waste disposed of at landfills and the percentages of MSW they accounted for between 2008 and 2010 are shown below:

	2008		*2009*		*2010*	
	Quantity (tones per day)	*Percentage of MSW accounted for*	*Quantity (tones per day)*	*Percentage of MSW accounted for*	*Quantity (tones per day)*	*Percentage of MSW accounted for*
Styrofoam — tableware	60	0.7%	45	0.5%	52	0.6%
Styrofoam — others	40	0.4%	47	0.5%	56	0.6%
Total quantity of styrofoam waste	100	1.1%	92	1.0%	108	1.2%

Note: Data on waste for 2011 are being compiled and are not available.

(b) The EPD conducted a questionnaire survey covering all primary and secondary schools in Hong Kong in 2010. The findings showed that about 550 000 students had lunch at school. A breakdown of their lunch practices is given in the table below.

Lunch Practices in Schools	*Proportion (by meal units)*
Reusable food containers (such as lunch provided by parents, students bringing their own lunch, on-site meal portioning and reusable food containers)	54%
Recyclable food containers (namely, polypropylene (PP) food containers)	32%
Disposable food containers (paper, styrofoam and tin foil food containers)	14%

Note: Relevant data for 2009 and 2011 are not available.

In motivating schools to reduce generation of disposable food containers, the EPD has drawn up a Guideline on How to Promote Green Lunch in Schools to promote lunch practices in schools whereby disposable food containers and food waste can be reduced. In addition, the Environment Bureau and the Education Bureau jointly invited all schools in Hong Kong to sign the Green Lunch Charter in early 2010. The aim was to discourage the use of disposable food containers and encourage on-site meal portioning in schools as far as possible. So far nearly 300 schools have signed the Charter.

The Environment and Conservation Fund has earmarked $150 million to subsidize basic conversion works and the retrofitting of basic facilities in existing schools to implement on-site meal portioning. Subsidized schools will use trays and tableware that can be washed repeatedly and hence reduce the use of disposable tableware. So far 88 schools have been granted subsidies. The design and installations of new schools will be compatible with on-site meal portioning.

Apart from continuing to carry out the above measures, the EPD, the Education Bureau, the Environmental Campaign Committee and the Yan Oi Tong have jointly launched the "Reduce Your Waste and Recycle Your Plastics Campaign" since the academic year 2011. Through this education programme which includes an educational kit as well as drama, we encourage primary and secondary students to reduce generating waste while shopping or eating both at home or at school. This includes the reduction in food waste and the use of reusable tableware.

(c) and (d)

Waste reduction is the key strategy to address the serious waste problem facing Hong Kong. To this end, the Government encourages the catering industry to avoid using single-use food containers and tableware as far as possible, and conveys the same message to the general public through publicity and education.

Overall speaking, with the increase in public environmental awareness, the number of caterers in the market adopting "environment-friendly food containers" to hold food has increased. These "environment-friendly food containers" are mainly made of PP and can be reused many times. As such, the promotion of waste reduction remains our guiding policy. The Government will continue to step up efforts on waste reduction at source. At the same time, we will develop the proposal for MSW charging as soon as possible to provide further incentive to reduce the use of single-use disposable items, including styrofoam food containers.

1.31 pm

Meeting suspended.

2.30 pm

Council then resumed.

BILLS

Council went into Committee.

Committee Stage

CHAIRMAN (in Cantonese): Council is now in committee. Scrutiny of the Companies Bill (the Bill) continues. The Committee will continue with the joint debate on the original provisions to which amendments have been proposed by the Secretary for Financial Services and the Treasury (SFST) as well as the amendments proposed. Members may take a look at page 5 of Part IIB of the script. Does any Member wish to speak?

(Bill originally scheduled to be dealt with at the last Council meeting)

COMPANIES BILL

MR ALBERT CHAN (in Cantonese): Chairman, only three Members are present in this Chamber. According to the practice over the past two or three months, Yuk-man and I will request a headcount. However, this being the last meeting of the current Legislative Session which will last until next Tuesday, we still have to consider seven bills and 17 motions in addition to the Companies Bill (the Bill). Of course, we hope that 16 out of the 17 motions will be passed except that the 17th motion cannot be processed in the next few days.

Under such circumstances, the meeting will have to be cancelled if the number of Members present is found to be less than 30 after doing a headcount upon our request, just as what we did previously, and deliberations on the seven bills and 16 motions will be deferred to October and carried on in the next term of the Legislative Council. In the overall interests of Hong Kong, Yuk-man and I will try our best to exercise maximum restraint and focus on making speeches only as we both wish that the remaining seven bills and 16 motions will all be successfully passed before the midnight of 17 July.

Chairman, I understand that the Legislative Council Secretariat consulted many Members a couple of days ago. It is believed that over 30 Members had indicated the wish to speak on the remaining seven bills and 16 motions. The cumulative speaking time may well exceed 50 hours. If the scrutiny of the Bill can be completed within today as the Members wish, the meeting time in the remaining four days will be enough for Members to make their speeches. If the meeting can proceed as planned, it may not be possible for the motion concerning the controversial five Secretaries of Departments and 14 Directors of Bureaux to be tabled at the Council for discussion. As such, we will try our best to be lenient. On the other hand, we hope the performance of those Members having indicated the wish to speak will meet our expectation. Our biggest worry is that everyone keeps silent without uttering a word and the meeting progresses at high speed, leaving enough time for the motion concerning the controversial five Secretaries of Departments and 14 Directors of Bureaux to "creep in" and is even passed before midnight next Tuesday. We absolutely do not want this to happen.

CHAIRMAN (in Cantonese): Mr CHAN, you should speak on relevant provisions.

MR ALBERT CHAN (in Cantonese): Chairman, this was only the notice that I gave. I have bothered you for a while only because I wanted to explain why I did not demand a headcount.

Chairman, I am going to talk about clause 454 of the Bill. Chairman, I will first talk about the provisions under clause 453 concerning "Removal and Resignation of Directors". Chairman, as you know, people fighting for democracy like us yearn for a removal mechanism under which anyone, be they Members or the Chief Executive, can be removed. If the mechanism does exist, I think it will be conducive to democratic development. And I believe that many members of the public do wish to remove me with respect to the recent incident of filibustering.

Regarding the "Removal and Resignation of Directors", similar provisions are present in the existing Companies Ordinance (predecessor Ordinance). Amendments introduced by the Administration in this regard are merely technical amendments. The amendment concerning the commencement date of relevant provisions is quite an interesting one. It is specified in subclause (2) that a company may not by an ordinary resolution passed at a general meeting remove a director holding office for life since 31 August 1984. This requirement may be attributable to historical factors. Besides, the arrangement is unique. However, given that directors shall not be removed under this provision, will their performance or the rights of other persons be affected as a result? I doubt it.

Furthermore, as I have mentioned before, there is an expression, "期中空缺", in subclause (5) of which the word "期" is the same word as that in "日期" (date). In English, the expression used is "casual vacancy". I pointed out last time that the translation of this expression is incomprehensible whereas the translation of the same expression in other laws is more appropriate. For example, I pointed out last time when talking about the translation of the provisions of the laws concerning Tung Wah Group of Hospitals, the same expression is rendered as "臨時空缺" (temporary vacancy). The expression, "臨時空缺", is easier to understand and more familiar to the general public.

Subclauses (7) and (8) set out details of the existing system. A shareholder can hold more than one vote at a special meeting of the company held to remove a director. Chairman, I understand that the more shares a shareholder holds in a company, the bigger controlling power he has. It is like universal suffrage which is implemented on a per capita basis. Nevertheless, how should this mechanism help strike a balance among the rights and benefits of the parties concerned? This is rather essential.

This issue had been under discussion for years when the Building Management Ordinance (Cap. 344) was being formulated and amended. Finally, the authorities established a two-tiered mechanism. The first tier is to decide the voting rights based on the amount of shares held, which is similar to the shares you hold in a company. Concerning ownership shares, the more shares you own, the more voting right you enjoy and you can have more influence.

For instance, according to the deed of mutual covenant of a building, a larger flat has more ownership shares than that of a smaller one. This should be construed as this: the voting right of a man or a company in possession of 10 flats is 10 times that of the owner of one single flat. At a general meeting of owners, voting on issues like applying for the registration of the owners as corporation, conducting repair and maintenance works and dismissing the management company is subject to different requirements. For certain issues, a resolution may be passed by a majority of the votes of the owners. As to the registration of the owners as corporation, it must be supported by the owners of not less than 30% of the shares in aggregate, but the dismissal of the management company have to be supported by not less than 50% of the shares in aggregate. This is the function of ownership shares.

However, there is a special requirement on the quorum of a meeting under clause 344, which shall be 10% of owners instead of owners holding 10% of undivided shares in aggregate. Voting is based on the percentage of undivided shares while the quorum of a meeting counts on the number of owners present. For example, if there are 2 000 flats in a residential estate with only 1 500 owners, the quorum of a meeting shall be one tenth of the 1 500 owners, meaning that it takes the presence of at least 150 owners for the meeting to be deemed lawful. In fact, I opine that relevant requirements of the Building Management Ordinance can serve as reference for the companies law. If everything is

controlled by the number of shares held where the number of shareholders is made irrelevant, it will only give rise to hegemony, meaning that a person holding a certain percentage of shares can freely commit wrongdoings. Likewise, a director may make any decisions with the powers conferred upon him by the provisions because there is no mechanism to check the influence exerted by such controlling shareholders as directors of a company.

After years of discussion, the Building Management Ordinance (Cap. 344) eventually adopted the two-tier mechanism which I mentioned just now. Although it is not flawless, it helps to exercise checks and balances. For instance, a person holding 51% of ownership shares cannot convene a meeting with himself alone for it must be attended by other owners. Hence, owners may boycott the meeting in order to make it impossible for certain major resolutions to be passed at the meeting. This is similar to the present situation in this Chamber where only two or three persons seek to exercise checks and balances on a tyranny of the majority through certain mechanisms to avoid relying solely on voting in decision-making. This is also similar to the requirements of the Building Management Ordinance, meaning that the shareholders possessing over 51% of the ownership shares cannot control everything if less than 10% of the owners attend the meeting.

Hence, the Government has to review relevant provisions in the future to address problems in this regard as they will affect many companies, the situations of which may vary slightly among one another. The Government should adopt a more balanced approach to ensure reasonable treatments for the parties concerned.

Chairman, next I will discuss clause 454, "Director's right to protest against removal". Chairman, I want to quote this clause as an example to illustrate that the Government gives excessive protection to powerful people but provides fewer safeguards for the underprivileged and less well off people in drafting the law.

Why do I say so? Chairman, please take a look at the procedures of removal, which forms an important part of the clause. Certainly, any removal may give rise to great disputes. Hence the director to be removed or intended to be removed is given the right to make representations to the company in writing under this clause. In turn, the company is required to send a copy of the

representations to its members or read out the representations at the meeting. It is appropriate to do so.

Yet, the Court is involved in one of the provisions. If the Court is satisfied that the person has abused the right or secured needless publicity for defamatory matter, it may order that copies of the representations need not be sent and the representations need not be read out at the meeting of the company. Thus, the removal of a director who has controlling power will necessarily lead to serious disputes and disapprovals as well.

Regarding defamatory matters, I myself had involved in a lawsuit with a large consortium that lasted for 12 years. Chairman, I can provide many such examples. It had happened that members of their owners' corporation, who were only small property owners, were notified of their being sued for defamation in writing by lawyers because they had accused the management company of unprofessional management in leaflets while seeking to dismiss that company. How ridiculous it was to take the word "unprofessional" as defamatory. Of course, not so many proceedings in respect of defamation in the past were successful. However, I find it really ridiculous that the director and the company concerned can file applications to the Court in respect of certain defamatory matters specified in the clause. Actually, they may resort to civil litigation if defamation is involved. Well, you may institute prosecution against my accusation which might have constituted defamation. You may employ this mechanism when my representations are to be read out at the company meeting in protest against removal, but this may involve a legal fee well exceeding a million dollar.

Chairman, it is inevitable that the would-be removed director touches on certain internal problems of the company in stating in the representations why he should not be removed since the person to be removed by a company may have queries concerning the operation or certain malpractices of the company. However, you are subject to being sued by financially powerful consortia owned by the richest people in Hong Kong upon your accusing some persons of their misbehaviour or the company of its malpractices. I have read such legal letters myself. There were numerous such cases over the past. Chairman, I have also seen those papers filed to the court for legal proceedings against other people's acts of defamation on similar grounds.

Of course, some of the writs filed to the Court might be set aside year after year but the legal proceedings involved have already caused great stress to the defendants. Hence, later I …… time is up now. I will further express my dissatisfaction and provide justifications regarding this issue.(*The buzzer sounded*)

DR MARGARET NG (in Cantonese): Chairman, I would like to respond to the early part of Mr Albert CHAN's speech which I am deeply concerned with. Chairman, all along I respect each of my fellow Members' right to speak. Even though there are loads of provisions in the Companies Bill and some Members may have spoken for excessively long time, we still respect their right to speak. As to the request for a headcount which some may find it troublesome, I do have respect for this because it is the Members' right to make such a request which is in line with the requirement under the Rules of Procedure (RoP).

However, Mr Albert CHAN seemed to indicate that he aimed not at expressing his views but compressing the time available for other Members to voice subsequently their opinions concerning other bills. I am very concerned with this. Furthermore, he regarded his not requesting a headcount a special favour for us.

I opine that this will greatly undermine the new term Legislative Council's power in safeguarding minority Members' right to speak. Chairman, I request that you appeal to Members making their speeches to respect the rights of other Members in order to avoid having the speeches of certain Members put down in the official record of proceedings which will lead to the amendments to the RoP in the next term for restricting minority Members' right to speak.

Thank you, Chairman.

CHAIRMAN (in Cantonese): Does any other Member wish to speak?

MR ALBERT CHAN (in Cantonese): Chairman, first of all, I would like to thank Dr Margaret NG for her remarks. She is the one I respect most amongst all Members of the Legislative Council.

Chairman, I wish to clarify that my earlier speech was not meant to intimidate or offend other Members. I only wanted to express that I did not demand a headcount because the meeting would have to be cancelled if I did so and the seven bills and 16 motions could not be passed within this Legislative Session then. This was the only reason for my not requesting a headcount.

I hope Dr Margaret NG would understand that my speech was absolutely not meant to offend Members in this Chamber. Chairman, this is the only thing I wish to clarify.

DR MARGARET NG (in Cantonese): Chairman, I thank Mr Albert CHAN for clarifying his point. I have even greater concern on how the rules should be defined after listening to his speech. If the situation becomes so bad that the freedom of speech of Legislative Council Members is threatened, it will provide good cause for amending the RoP. So I hope Members will exercise their rights in a prudent manner. Thank you.

CHAIRMAN (in Cantonese): Please speak on the provisions concerned.

MR CHIM PUI-CHUNG (in Cantonese): A quorum is not present.

CHAIRMAN (in Cantonese): Clerk, please ring the bell to summon Members to the Chamber.

(After the summoning bell had been rung, a number of Members entered the Chamber)

CHAIRMAN (in Cantonese): Mr TAM Yiu-chung, please speak.

MR TAM YIU-CHUNG (in Cantonese): Chairman, as many Members were not present at the meeting just now, I wish to take this opportunity to express my views. After the lunch break, Mr Albert CHAN made a speech about various

arrangements intended for the forthcoming Legislative Council meetings to be held in the next few days as if this Chamber had become his home arena.

He had made a speech on such issues as how much time a Member should be allowed to speak, the reason for his not requesting a headcount, and so on. It sounds as if he were even more authoritative than the President of the Council and the Chairman of the House Committee because the other two would consult Members first before making any decision. Irritated by Mr Albert CHAN's aggressive speech, Dr Margaret NG made a response which caused Mr Albert CHAN to restrain himself. Nevertheless, Mr CHIM Pui-chung was really fed up with Mr CHAN and thus requested ringing the bell to summon Members to the Chamber.

I find Mr Albert CHAN quite hegemonic but fortunately, a quorum is present or this meeting will end here and the deliberation on bills and motion will have to be carried on in the next term. If it so happens, the Hong Kong citizens will have to suffer the biggest loss since most of the remaining seven bills and 17 motions are related to livelihood issues.

Looking forward, only a few days are left but many Members may still wish to express their views on the clauses one by one. Yet, he has made arrangements for us in advance. What can I say then? However, I opine that amendments must be introduced to the RoP. Otherwise, the operation of the Legislative Council might be paralysed by a minority in the long run which is detrimental to Hong Kong's society.

Thank you, Chairman, for allowing me to make this speech.

CHAIRMAN (in Cantonese): Does any other Member wish to speak?

MR LEUNG KWOK-HUNG (in Cantonese): Chairman, "it rains when Heaven deems fit, mother remarries when she wants to." Every Member must hold himself or herself accountable for what he or she has done in this Chamber. We are here to discuss the text of the Companies Bill (the Bill). We are fulfilling our duty. By striving to stop the resolution on the five Secretaries of Departments and 14 bureaux from endorsement, we are fulfilling our duty, too.

Whether or not we have requested for the summoning bell to be rung or for a headcount, we are discharging our duty. Let me tell him loud and clear, Mr TAM Yiu-chung, this system rots. The 37 of them control the whole Council …… excluding the President …… I dare not offend you …… How do most of them gain the power? Stop fooling around. Abolish the system and such things will not happen.

Chairman, I need to make a solemn declaration here. If I am to object to a rotten system, I will employ an unconventional but legitimate approach to voice my objection. I will now speak on the Bill.

Chairman, I wish to talk about Division 7 ……

CHAIRMAN (in Cantonese): Please state the Part first before mentioning the Division you wish to discuss.

MR LEUNG KWOK-HUNG (in Cantonese): Please hold on.

CHAIRMAN (in Cantonese): Which clause?

MR LEUNG KWOK-HUNG (in Cantonese): Chairman, sorry. It is clause 350.

CHAIRMAN (in Cantonese): Clause 350 is under Division 7 of Part 6. No. Pardon my poor eyesight. It should be Division 7 of Part 8.

MR LEUNG KWOK-HUNG (in Cantonese): Yes. Thank you for telling me. This Division is related to the preceding Division, but I will skip the preceding Division in order not to make my speech too verbose. Nevertheless, the Divisions are closely linked. If I do not mention the preceding Division, it is likely that Members will not follow what I am talking about. So, if you do not

follow, please let me know and I will go back on the relevant clauses in the preceding Division. If not, you may think that I am repeating myself.

Division 7 is about "Company's and Registered Non-Hong Kong Company's Records and Register of Charges". This subject is very important indeed. It is about keeping a record of a company's loans, if any, its liabilities, as well as other parties' liabilities to it. All these should be put on record. Why? Business transactions hinge on a company's good faith. The Companies Ordinance (the Ordinance) is also built on pretext of good faith; otherwise, it is meaningless to formulate ordinances.

The disclosure-based principle, which still prevails today, is also involved. The Securities and Futures Commission (SFC) upholds the disclosure-based principle in respect of the issuance of derivative products. That said, derivative product issuers will certainly not abide by the disclosure-based principle. Why? The issuers are not required to comply with the relevant regulations laid down in the Ordinance or by the SFC. They are not required to list item by item the properties they own; nor are they required to be subject to any inspection. This is indeed a big loophole.

The Ordinance upholds long-standing business traditions. These traditions take shape when companies or listed companies start to gather funds to do business. Hence, if a company does not keep a record of its liabilities or other parties' liabilities to it at a certain place for inspection, the company simply does not qualify as a company. Many uninformed investors or shareholders of the company will thus suffer losses.

The Government proposes to delete subclause 350(6) and substitute it with a rewritten version. What is the difference between the two? The original clause provides that …… Subclause 350(4)(a) provides that a company or registered non-Hong Kong company "must, within 14 days after a copy of an instrument mentioned in subsection (1) or (2) is first kept at a place, notify the Registrar of the place". The Government proposes to delete "14" in both subclauses 350(4)(a) and 350(4)(b) and substitute it with "15". I will say no more on this as it is a minor amendment. And the Government proposes to delete "告知" and substitute it with "通知" in the Chinese text of clauses 350(4)(a) and 350(4)(b). I think this is correct because the meaning is clearer.

But, the amended subclause 350(6) provides that "Subsection (4)(a) does not require a company or registered non-Hong Kong company to notify the Registrar of the place at which a copy of an instrument is kept if ……". This means that subsection (4)(a) will not require a company or registered non-Hong Kong company to notify the Registrar of the place at which a copy of an instrument is kept. Then, what is subsection (4)(a) about? "A company or registered non-Hong Kong company must, within 15 days" …… assuming that this part has already been amended from 14 days to 15 days …… "after a copy of an instrument mentioned in subsection (1) or (2) is first kept at a place, notify the Registrar of the place". And what are subsections (1) or (2) about? Subsection (1) provides that "A company must keep at its registered office, or at a place prescribed by regulations made under section 648 ……".

In other words, a company or registered non-Hong Kong company is not required to fulfil this obligation if the ensuing conditions are met. What are these conditions? If "the copy has been kept at the company's registered office, or the registered non-Hong Kong company's principal place of business in Hong Kong, at all times since it came into existence". In other words, if the company has been doing this, it is not required to fulfil this obligation. The second condition, as set out in clause 350(6)(b), is that if "the copy was in existence on 31 August 1984 and has been kept at that registered office or principal place of business at all times since then". I believe 31 August 1984 is the commencement date of the Ordinance.

Two changes are made in the amendment to subclause 350(6)(b). That is, "immediately before" …… Chairman, can you find where it is? The change mainly involves rewriting subclause 350(6)(b) which has often caused confusion. The meaning is actually much the same. …… "(i) immediately before that commencement date, the company or registered non-Hong Kong company kept a copy of the instrument for the purposes of section 88 of the predecessor Ordinance;" and "(ii) on and after that commencement date, that copy is kept for the purposes of subsection (1) or (2) at the place at which it was kept immediately before that commencement date." Actually, all these can be summarized into one point: if a copy of an instrument has already been kept, it is unnecessary to do it again; just continue to keep it. If not, just keep a copy of the instrument and notify the Registrar within 15 days after such a copy has been first kept.

What is the consequence if a company does not keep such a copy? What is the purpose of doing so? It is for inspection. Am I right? The first issue that I have with the Bill is that everything relies on notifying the Registrar. In my opinion, apart from enquiring the Registrar or going to the place where such a copy is kept, there should be a better way to inspect whether a company has fulfilled its obligation. First of all, we can make use of the Internet. What do I mean? I am not talking about the UnionPay network, but an intranet set up exclusively for a certain corporate or body corporate, with no access for outsiders. By so doing, information can be uploaded onto the intranet; or companies which need to keep a copy of an instrument can send the information by post for uploading.

But the Government did not adopt this approach. In this era of computer and the Internet, I can receive countless messages with an iPhone while attending the meeting here. The messages can be inviting me to join a certain protest or to …… Chairman said if a quorum is not present at the expiry of 15 minutes the Council shall be adjourned …… I often receive such messages. If we can make use of the Internet here in this Council, why can't companies which are obligated under Division 7 to keep copies of instruments creating charges do the same?

First, the Government did not adopt a modernized approach when it rewrote the Ordinance. It only said that a modernized approach would be adopted in drafting the provisions. However, when the provisions were actually drafted, they did not facilitate the implementation in respect of records and registrars of charges …… We all know that the Government has failed to do so and this is a major inadequacy. The problem lies in subclause (7), which provides that "If a person contravenes subsection (2), (3), or (4), the person commits an offence and is liable to a fine at level 3 ……". Sorry, I have referred to the wrong clause. I have turned to the previous page. Sorry, Chairman. There are too many clauses. "If subsection (1), (2) or (4) is contravened, the company or registered non-Hong Kong company, and every responsible person of the company or non-Hong Kong company, commit an offence, and each is liable to" …… In the Chinese text, it uses the word "可" (may be), rather than the word "須" (shall be), showing that only some people may be penalized and not all …… "a fine at level 4 and, in the case of a continuing offence, to a further fine of $700 for each day during which the offence continues."

Chairman, if a company deliberately contravened the disclosure-based principle, which is an important starting point of the system of companies, it only needs to pay a fine at level 4 and a further fine of $700 for each day during which the offence continues. Just consider if the contravening company continues its offence for one month, substantial losses can then be incurred to those who cannot inspect the copy during the month. The contravening company has a very little cost to bear. The responsible person of the company is not even liable to imprisonment. Hence, in my opinion, an imprisonment term should at least be laid down for this offence. Certainly, the judge has the discretion to decide whether an imprisonment term should be meted out based on the severity of each individual case. Likewise, the Chairman can order me to immediately sit down and stop talking, or order me not to come back today. This will have a deterrent effect. Right? If the Chairman orders me to sit down and stop talking irrespective of the severity of my behaviour, I will continue to rise up and speak. So, regarding this offence, the Government apparently has failed to keep abreast of the times and is unable to see where the real problem is.

CHAIRMAN (in Cantonese): Does any other Member wish to speak?

MR ALBERT CHAN (in Cantonese): Chairman, sometimes I really find Members funny and paradoxical. When we requested a headcount, Members criticized us with annoyance for abusing power. When we did not request a headcount, Members said that we were overbearing. In fact, the functional constituencies and the coterie elections are the most overbearing. In this Chamber, Members who have only secured 40% of the votes control 60% of the seats. Over the past 15 years, the opinions of the public have been ignored and their rights and interests deprived, with the problem of their poverty ever worsening. People with no public mandate supported the listing of The Link REIT, leaving members of the public devastated ……

CHAIRMAN (in Cantonese): Mr CHAN, as you have spoken for more than 10 times, I must beseech you to focus your discussion on the relevant clauses.

MR ALBERT CHAN (in Cantonese): Chairman, I only wish to briefly respond to the Member who said that we are overbearing. Chairman, can anyone be

more overbearing than Members of the Democratic Alliance for the Betterment and Progress of Hong Kong? Thanks to them, The Link REIT was able to list on the stock market.

Chairman, I wish to discuss clause 460. Clause 460 is about …… Chairman, may I first finish the procedure on the removal of directors which I was discussing just now.

The procedure is very interesting. According to the procedure, a director subject to removal "may" make a representation in writing to the company to provide information or his view to the meeting. The company will give the representation to members of the company. If the company is of the view that the representation is defamatory in nature, it can take the matter to court.

However, the Companies Bill (the Bill) does not have any clause to provide for a counter procedure. When a company intends to remove a director, it will issue a notice to its members, notifying them of the resolution of the removal and that a meeting will be held to discuss the resolution. However, the Bill does not have any clause which provides for the right of the director to take the matter to court if the reasons for his removal as set out in the information issued by the company constitute defamation. There is not a reverse procedure.

Obviously, the rationale of the clause is that if a company, which is powerful and influential, is dissatisfied that the representation submitted by the removed director has a negative impact on the company, it can take the matter to court. But this is only a unilateral arrangement. Why is there not a bilateral arrangement? Why is the removed director, aggrieved by unfair treatment, not entitled to the same right to take his case to court?

Hence, the rationale behind the whole Bill is to set up multiple protection nets for members of the senior management who are vested with power and take control of a company. For matters as trivial as a removed director submitting a representation in writing, the Bill has gone to great lengths to provide for the rights of people who are powerful and influential and to protect their reputation ……

MR WONG YUK-MAN (in Cantonese): Chairman, I have a point of order. A quorum is not present.

CHAIRMAN (in Cantonese): Clerk, please ring the bell to summon Members to the Chamber.

(After the summoning bell had been rung, a number of Members returned to the Chamber)

CHAIRMAN (in Cantonese): Mr Albert CHAN, please continue.

MR ALBERT CHAN (in Cantonese): Chairman, without a democratic system, disagreements and conflicts in Hong Kong will only worsen.

Chairman, I mentioned just now that the procedure for removal of a director is lopsided, offering absurd protection to the rich and influential. Such absurdity fully displays the mentality and value orientation of the Government, that is, business tycoons should be protected, and small shareholders and vulnerable directors can be bullied.

Besides, there is a small technical problem. According to the clause concerned, "On receipt of notice of a resolution under section 453(4) to remove a director, the company must forthwith send a copy of the notice to the director concerned." Based on general understanding, the definition of "forthwith" is that something should be handled immediately. It is more logical to set out in the clause a specific deadline, such as within one or two days, to avoid future legal disputes. When I read the clause, I thought it is not so appropriate to use only the word "forthwith".

Chairman, I wish to talk about clause 460, a new clause titled "Permitted indemnity provision". It basically provides that directors of a company are immune from indemnity claims arisen from civil proceedings against the company.

In this regard, I wonder if it is appropriate to lay down such a provision in the clause because a person who has taken a claim to court generally has to prove

the liabilities. I have helped members of the public in handling …… I am not a lawyer, but in my district, I have helped many claimants in handling their case and I learnt that they often sue both the company and its responsible persons, rather than just suing the company and leaving out the directors or the responsible persons.

We need to consider the details of each case. Apart from the company, if a person has incurred losses in a commercial sense to a third party due to his actions or decisions made in an incident, he will also be potentially liable even though he may have done so on behalf of his company. This is therefore another example of over-protection. In my opinion, it is neither fair nor appropriate to expressly provide in the law that directors can be immune from the legal responsibility of indemnity arisen from a proceeding, since the case may involve negligence, dereliction of duty or breach of trust. Now, directors are immune from all liabilities. The Bill specifically provides that no parties can lodge indemnity claims against directors of a company through the Court. I do not think this is appropriate.

Chairman, I wish to put this on record to indicate my objection to this clause as well as the clauses that I have earlier mentioned, that is, clauses 454 and 460. However, as I have said earlier, I will not request a separate voting on these two clauses because the Council is now under a joint debate and many clauses are now discussed jointly. But I wish to put on the record my objection to clause 454 and 460.

CHAIRMAN (in Cantonese): Does any other Member wish to speak?

MR WONG YUK-MAN (in Cantonese): A few days ago a reporter handed me a ball pen. It is a giveaway from Mr WONG Kwok-hing, which carries a slogan written on a small scroll of paper which can be pulled out from a slit in the pen. The pulling action is just like the literal meaning of the two Chinese characters of filibustering "拉布". It is meaningful. The slogan says, "See how long you can act in your barbarous way". He himself has barbarized this Council for 15 years.

Mr Albert CHAN and I do not have the gift of the gab. We offend people whenever we speak. He is not very good at expressing himself. Dr Margaret

NG criticized us. Mr TAM Yiu-chung also criticized us. But we will continue to speak out. It is not our responsibility when this Council does not have a quorum. Come down to the meeting! Come and sit in the Chamber! See how long we can act in our barbarous way? Buddies, we held the "five geographical constituencies referendum" and you endorsed the legislative proposal to deprive us of the right to stand for by-elections. We filibustered and you proposed to amend the Rules of Procedure. Even the Chief Secretary for Administration said so. Let them be superior! The Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) just celebrated its 20 anniversary. The Chief Executive and the three Secretaries of Departments attended the ceremony. Is the DAB the ruling party?

CHAIRMAN (in Cantonese): Mr WONG, please focus your speech on the relevant clauses.

MR WONG YUK-MAN (in Cantonese): We requested the summoning bell be rung. Everyone has his or her fair share of responsibility when a quorum is not present. I am here, present, at the Chamber! What do they mean by overbearing? We are not as overbearing as they are! They have been here acting in their barbarous way for 15 years, bullying the minority. What do they mean by hijacking this Council? They want to amend the Rules of Procedure? Just do it! The Legislative Council is now silencing us. Everyone has to be silenced, forbidden to speak. How absurd!

CHAIRMAN (in Cantonese): Mr WONG, you should now focus your debate on the clauses.

MR WONG YUK-MAN (in Cantonese): A quorum is not present.

CHAIRMAN (in Cantonese): Clerk, please ring the bell to summon Members to the Chamber.

(After the summoning bell had been rung, a number of Members returned to the Chamber)

CHAIRMAN (in Cantonese): Mr WONG Yuk-man, please continue.

MR WONG YUK-MAN (in Cantonese): I was up to subclauses 453(7) and 453(8) yesterday, which are about weighted voting rights, that is, the clause which provides for weighted voting rights. When I talked about this point yesterday, I briefly mentioned that weighted voting is similar to the voting system of functional constituencies where constituents are given one more vote; that is, "one person, two votes". Some people are thus superior to others. The existing section 157B(5) of the Companies Ordinance (the Ordinance) lays down the restrictions on weighted voting, so as to ensure that in the process of removing a director, members of a company will not be deprived of the rights set out in clause 453 because of the weighted voting rights carried by some shares. Before any enactment, that is, before restrictions are laid down on weighted voting rights, the arrangements were absurd and unfair.

A case which took place in the United Kingdom in 1969 can serve as illustration. Mrs B and Mr F as well as their sister Miss D each had 100 shares, making up the total of their family's shares. Each share had a nominal value of $1 pound and all shares had been fully paid up. The company amended Article 9 of Schedule A of the Company's Articles to the effect that when a resolution to remove a director was put to vote at a general meeting, each share held by the director to be removed would carry three votes. As a result of the amendment, no director could be removed by resolution moved at general meetings because the director to be removed would have 300 votes, which exceeded the sum of the votes carried by the shares of the other two company members.

The other two members of the company, aggrieved by the action of Mr F, who was a director, called for a general meeting whereby a resolution was passed by a show of hands to remove Mr F as a director. How did Mr F react? He requested that the resolution be voted on, pointing out that he had 300 votes which were enough to veto the resolution moved by Mrs B and Miss D. Feeling aggrieved, Mrs B made a representation to the Court, specifying that the resolution to remove Mr F as a director had already been effectively passed, and applied for an order to prohibit Mr F to continue to act as a director.

The two sisters won their case at first trial, but the ruling was overturned upon appeal. Subsequently, the case was appealed to the House of Lords where the Judge ruled that if it is so prescribed in the company's articles, there was no ground to stop the company from adopting weighted voting. In other words, if weight voting is allowed under a company's articles, there is no ground to stop the company from adopting a weighted voting arrangement.

Thus, the existing Ordinance in Hong Kong has plugged this loophole in section 157B(5), which corresponds to subclauses 453(7) to 453(8) of the Companies Bill (the Bill). In rewriting the Ordinance, further improvements have been made. First, more terms which are modernized and easy to understand have been used. For example, in the original Chinese section 157B(5) of the Ordinance, the sentence "大會上所表決的事項的概括性所附帶的票數" ("it (the share) would carry in relation to the generality of matters to be voted on at a general meeting") has been rewritten as "大會上表決的一般事宜而具有的票數" ("it (the share) would carry in relation to the generality of matters to be voted on at a general meeting of the company"). The phrase "概括性所附帶的票數" in the original Chinese section 157B(5) of the Ordinance is very difficult to understand. The rewritten version, "大會上表決的一般事宜而具有的票數", is still not very coherent, but the phrase "而具有的票數" is better than "概括性所附有的票數". The new phrase is not very coherent, but at least people can interpret its meaning by looking at its words. As for the original section, I believe not even Chairman can interpret its meaning and has to refer back to the English section for its meaning.

Second, in terms of structure, the original section 157B(5) of the Ordinance should be subdivided into two points. The way the original section is drafted may cause confusion easily. The Bill has dealt with this confusion by setting out the two points in subclauses 453(7) and 453(8). Subclause (7) sets out the general principle: "In relation to a resolution to remove a director before the end of the director's term of office, no share may, on a poll, carry a greater number of votes than it would carry in relation to the generality of matters to be voted on at a general meeting of the company." The clause sets out the general principle.

Subclause (8) clarifies a special circumstance: "If a share carries special voting rights (that is to say, rights different from those carried by other shares) in relation to some matters but not others, the reference in subclause (7) to the generality of matters to be voted on at a general meeting of the company is to be

construed as a reference to the matters in relation to which the share carries no special voting rights." The clause clarifies a special circumstance. We consider this arrangement better than the arrangement adopted in the original section.

Subclause 453(7) provides for the general principles adopted in exercising special voting rights, that is, the aforesaid weighted voting rights. One of the principles is, "In relation to a resolution to remove a director before the end of the director's term of office, no share may, on a poll, carry a greater number of votes than it would carry in relation to the generality of matters to be voted on at a general meeting of the company." These principles have effectively solved the problem arisen in the law case in the United Kingdom I just cited.

Subclause 453(8) further clarifies what special voting rights are: "If a share carries special voting rights (that is to say, rights different from those carried by other shares) in relation to some matters ……, the reference in subsection (7) to the generality of matters to be voted on at a general meeting of the company is to be construed as a reference to the matters in relation to which the share carries no special voting rights." It highlights the difference between "some matters" and "other matters". If a share only carries special voting rights in relation to some matters, the share will not be regarded as carrying special voting rights in respect of a resolution to remove a director; if the share only carries special voting rights in relation to other matters …… unlike the "some matters" just now, it now refers to "other matters" …… the share will be regarded as carrying special voting rights in respect of a resolution to remove a director, and pursuant to subsection (7), such rights cannot be exercised.

Hence, in rewriting the Bill on removal and resignation of directors, the Administration has set out the provisions in a total of nine subsections under clause 453. I have already discussed some of them, which mainly concern the resolution to remove a director. The provisions set out in subclauses 453(1) to 453(6) are a little different from those set out in subclauses 453(7) and 453(8). Subclauses 453(7) and 453(8) focus on weighted voting rights. The two groups of subclauses are inherently different, although they are under the same clause. I have thus divided them into two groups and discussed them separately. The present Ordinance has dealt with subjects such as allotment of shares to directors, the right of a company to hold a general meeting to remove a director, how this is related to the shares and to the contract of employment, and so on. Frankly,

these stipulations …… Large corporations can easily, with the help of a team of professionals, find the grey area in the law. They can find a way to dodge stipulations that are not to their advantage. Hence, in rewriting the Ordinance on violations and contraventions, certainly I am not saying that everything has to be rewritten, the Administration should wipe out any technical loopholes in the provisions which will enable companies to evade the law.

On the other hand, the same provisions can be a nightmare to small companies. Chairman, they may not even understand the provisions in the first place. Nevertheless, the provisions are legally binding on them. Certainly, some of them are companies limited by shares and some are unlimited companies. There are many different kinds of companies. Hence, what I want to say again is, this Ordinance …… If the Bill can pass through Third Reading today or tomorrow, there are still two more years before it is implemented. In the interim, I hope the Secretary can study it again in detail so that further "loophole-plugging" work can be done when relevant regulations or subsidiary legislation is drafted.

The Secretary is here today. He was not here yesterday and the day before. I have repeatedly stressed that the rewritten version, that is the Bill, is much better than the existing Ordinance. Many of the provisions, in whatever respect, and even those proposed in the Administration's amendments, are technical amendments. These technical amendments are valid. I have read through the entire Bill and compared it with the original Ordinance. I find the Bill very comprehensive. The Government has made an effort to put in place a book of law …… the Bill can be considered as a "book" now as it contains over 900 clauses …… a book of law which can meet the need of Hong Kong as a free economy and a free and open market. It dovetails with the global trend and fulfils the needs of a capitalistic society. Moreover, we anticipate that when the laws on competition and companies are enacted, everyone can then be on equal footing as they will have to comply with the law relevant to them, and the business environment of Hong Kong will be improved. If so, it will be a virtuous achievement indeed. Thank you, Chairman.

CHAIRMAN (in Cantonese): Does any other Member wish to speak?

MR LEUNG KWOK-HUNG (in Cantonese): Chairman, I will talk about the clauses in ascending order …… clause 350, clause 352, clause 353, clause 357 and clause 358. All of them are related to what I have just said.

First of all, I wish to talk about clause 354 titled "Instruments and register open to public inspection". The Government proposes in its amendment to delete the clause and substitute it with another clause 354 titled "Right to inspect". Chairman, can you find it? The Chinese clause 354 is on page C766 of the Blue Bill.

CHAIRMAN (in Cantonese): Please continue.

MR LEUNG KWOK-HUNG (in Cantonese): The heading of the clause is changed to "Right to inspect" in the amendment. What is the difference when compared with the original clause after the change? In fact, there is not much difference between the two, except that the provisions are more refined. In what way are they more refined? After the change, the clause and its subsections in the Blue Bill are …… Let me see …… more specific. But the problem is, the Administration proposes to amend certain wordings …… For instance, in the Chinese clause 352(5), the Administration has amended …… What is the Chinese clause 352(5) about? "註冊非香港公司的高級人員明知而故意地授權或准許他人遺漏作出任何根據第(2)款須作出的記項，該人員即屬犯罪，可處第5級罰款。" ("If an officer of the registered non-Hong Kong company knowingly and wilfully authorizes or permits the omission of an entry required to be made under subsection (2), the officer commits an offence and is liable to a fine at level 5.") The Administration proposes to delete "該人員" ("the officer") in the Chinese text. The text is undoubtedly more coherent after the deletion, but the problem is that the Administration has not proposed any amendment to the penalty.

Chairman, please take a look at clause 352(4). I have talked about it before. Clause 352(4) provides that "If a registered non-Hong Kong company contravenes subsection (1) or (2), the company, and every responsible person of the company, commit an offence, and each is liable to a fine at level 4 ……". I will skip reading out the rest, or you will say that I am prolix again. Clause 352(4) contains a concept which is absent in clause 352(5), that is, the

company and the responsible persons concerned are liable to a further fine of $700 for "each day during which the offence continues".

Certainly, you may say that only when the violation set out in clause 352(1) or 352(2) persists can there be a continuing offence. And the action which constitutes a violation under clause 352(5) is one-off and cannot persist. But, I wish to ask a question. Under clause 352(5), "If an officer of the registered non-Hong Kong company knowingly and wilfully authorizes or permits the omission of an entry required to be made under subsection (2), the officer commits an offence and is liable to a fine at level 5". Does the company, which is also accountable for the violation, have a responsibility to right the wrong?

Chairman, if the violating company does not rectify the wrong information in its register of charges after being fined, it will be keeping a flawed register. Right? The company can be considered as having "knowingly and wilfully" authorized or permitted this to happen. If the wrong information in the register of charges is not corrected, the mistakes will continue to exist. The company, however, has only been fined a one-off level-5 fine. In comparison, why should a company, which has failed to fulfil another obligation, be liable to a further fine of $700 for each day during which its offence continues?

All that the company has done is that it has not fulfilled a certain obligation. When compared with the offence involving wilful deception, which is more serious? For example, if someone on the street asked me how to go to the Legislative Council Complex, instead of telling that person "I am sorry. I don't know", I wilfully told that person to go west rather than going east. By common sense, am I not more wicked when I wilfully deceived that person?

On the one hand, the Administration is aware of the need to delete "該人員" in the Chinese clause 352(5) to avoid verbosity …… I do not know who taught the Administration to delete those words, but I have the habit of deleting redundant words after finished writing an article. I am not sure if this is the case of the Administration. The Administration is so quick and accurate in picking out the sesames, but what about the watermelon?

Clause 352(5) provides that a company "knowingly and wilfully authorizes or permits the omission of an entry to be made under subsection (2)" …… In other words, the company is trying to mislead the public. The Administration is

aware of the problem here. Although the company does not try to mislead the public with a declaration, thus it cannot be held liable for making a false declaration, why does the Government not lay down a heavier penalty in the first place, so as to prevent the public from being misled continuously?

Therefore, I do not think that the Administration has taken the whole problem into careful consideration when it drafted the Bill. It just followed the simple logic that if any non-compliance continues, the company concerned will be fined for each day during which the non-compliance continues; and if the non-compliance stops, the company concerned will not be fined. The whole logic, to me, is wrong. If the offence committed by a company for knowingly and wilfully authorizing or permitting the omission of an entry is considered to be equivalent to the offence which a company committed under clause 352(4), the Administration should at least apply the penalty set out in clause 352(4) on the former offence as well. In other word, a company which has committed the former offence should also be liable to "a further fine of $700 for each day during which the offence continues". This is my view. I do not know if Secretary K. CHAN and his accompanying officers find my view reasonable. Even so, no more amendments can be made today. This is also my last-ditch effort …… I came here with the mentality of a student attending a public examination. When I attended the public examination when I was young, I did the revision only when I was about to enter the examination room and I still passed the examination.

Having talked about clause 352, I will proceed to clause 353, titled "Notification of place where register of charges is kept". In fact, it has the same problem. The spirit of the clause is that a register of charges must be kept at a specific place for public inspection within a specified number of days after it is first kept. Any non-compliance will, likewise, prevent people from obtaining the relevant information, and the company concerned will be subject to a fine similar to the one stipulated under clause 352, that is, a fine at level 4 as well as a further fine of $700 for each day during which the offence continues.

However, if the Administration considers such non-compliance unacceptable, it should lay down a heavier penalty such as, first, imprisonment, and I will not repeat myself as I have already explained this point; and second, confiscation of the benefits obtained from such non-compliance, or a level of fine comparable to the benefits obtained by the contravening company. I believe this arrangement is more reasonable. Otherwise, the law breakers, that is, a person

who contravenes the provisions in the Bill, will be able to calculate in advance the cost they have to bear for the violation …… We can see from clause 350 onwards that the penalty so far does not exceed a fine at level 5.

In my opinion, in rewriting the Companies Ordinance, the Administration should lay down a heavier penalty for offences which involve violation of the disclosure-based principle, that is, violation which jeopardizes other people's interests for personal benefits by providing wrong information or withholding information. Apart from fine and imprisonment, which I have mentioned, benefits obtained from charges should also be wholly or proportionally confiscated, subject to the severity of individual cases. Thank you, Chairman.

CHAIRMAN (in Cantonese): Does any other Member wish to speak?

MR ALBERT CHAN (in Cantonese): Chairman, regarding clause 462, the amended heading is "Place where copy of permitted indemnity provision must be kept". This is basically a new clause. In the relevant amendments, the Government has proposed to delete the phrase "available for inspection" which appears several times in the clause.

Actually, Chairman, the original heading is clearer than the new one because it has retained the phrase "available for inspection". People know right away just by reading the heading that the copy concerned can be found at a specific place for inspection. Given that the copy of permitted indemnity provision may contain information about the interests of a company and the liabilities of related persons, the indemnity provision is of considerable importance.

The proposed amendments will delete the phrase "available for inspection". If my understanding is correct, the amendments will not affect the rights of members of a company to inspect the copy of indemnity provision because it is provided elsewhere in the Companies Bill (the Bill) that the copy must be open for inspection by any member of a company. Perhaps, the phrase "available for inspection" is too all-inclusive and does not specify that the copy is for company members' inspection. But, it is specified in the ensuing provisions after

clause 462 that the copy is for inspection by members of a company. The present problem is, what about non-company members? Will non-company members be deprived of the right to inspect the copy as a result of the amendments? The amendments seem to contain such a hidden meaning. Will the amendments undermine other parties' interests or bring about other impacts?

I believe it is of paramount importance that the Bill allows members of a company to inspect the copy of indemnity provision. Regarding other legal instruments of a company or instruments about the history of a company, persons unrelated to the company …… During the debate two days ago, I discussed the clauses which provide that the Registrar can decide, on the basis of a series of mechanisms, which instruments concerning company registration can be made public. Those clauses have already provided for the right of inspection. The Bill has laid down a general regulation on this subject and the detailed arrangements, which are rather complicated, are set out in individual clauses. This is precisely why the Bill has over 900 clauses.

Regarding the keeping of a copy of the permitted indemnity provision, the clause provides that the copy must be retained for one year. This requirement differs from other requirements on keeping of instruments set out under other ordinances, which are generally seven years. In my opinion, if an instrument concerns the rights and interests of members of a company, or if the presence or absence of such an instrument affects members' interests and their right to know, it is not a bad idea that the instrument be retained for seven years. First, the seven-year requirement is in line with the standard requirement on the keeping of official documents; and second, extending the time for keeping instruments, in my opinion, will have more pros than cons. Of course, whenever the issue of indemnity is discussed, the persons concerned would rather have the harmful records wiped out as early as possible. Their blunders or buffoonery contained in the records will be gone after a period of time. Without such records, however, the interests of a company or the rights and interests of individual members may be jeopardized. I thus do not think it is appropriate to set the time limit to one year. It is too short.

Chairman, the next one is clause 463, titled "Right of member to inspect and request copy". As I have just said, one of the reasons for deleting the phrase "available for inspection" in clause 462 is that the right of members of a company

to inspect and request a copy of the permitted indemnity provision has already been provided for in the ensuing provisions. The Government has proposed an amendment to this clause and the amendment involves clause 648.

Regulations made under clause 648 are inter-related to certain clauses in the Bill. The penalty provision in clause 463 is deleted in the proposed amendment and substituted by the penalty prescribed in clause 648. The maximum fine prescribed in clause 648 differs greatly from the fine prescribed in the original clause 463. The fine prescribed in the original clause 463 is $10,000, together with an additional fine of $300 for each day during which the offence continues. If the penalty prescribed in clause 648 is adopted, the fine will be substantially increased to $50,000, together with an additional fine of $1,000 for each day during which the offence continues. The latter has a stronger deterrent effect. In my opinion, the amendment can enhance the deterrent effect. Besides, the amended penalty shows how important it is for the party concerned to discharge its duty; if not, the penalty will not be substantially increased.

Chairman, I wish to go next to clause 464, titled "Ratification of conduct by director involving negligence, etc.". This clause is rather interesting. For instance, it lays down a mechanism for a company to ratify the conduct of a director involving negligence, dereliction of duty or breach of trust.

Chairman, if my understanding is correct, this is an old provision of the Companies Ordinance. The Government has proposed an amendment to the clause which only involves changing one English word and does not affect the Chinese text.

Chairman, the clause preserves the right of a company to ratify any responsibility of and proceeding related to a director involving dereliction of duty. It protects the rights and interests of the company, enabling it to initiate legal actions against the director for any loss incurred. Even if the matter has been settled, under this ratification clause, the director cannot shirk the responsibility of his conduct. So, despite the fact that the arrangement set out in this clause, that is, ratification of conduct by director involving negligence, and so on, is a little uncommon and rather different from the arrangement set out in other ordinances, I echo its principle and spirit. In my opinion, the clause makes

sense and provides an arrangement for people to be accountable to their own conduct.

Thank you, Chairman.

CHAIRMAN (in Cantonese): Does any other Member wish to speak?

MR WONG YUK-MAN (in Cantonese): Clause 453 is about removal of a director. Apart from removing a director, the Companies Bill (the Bill) also contains provisions which enable a director to protest against his removal.

Talking about removal and protest against removal, we should take a look at this absurd Council. Chairman, generally speaking, people have the right of initiative and the right of referendum. As for country leaders, government officials, members of the legislature, people have the right to elect or remove them. The right of initiative and the right of referendum in the legal context exist in many countries. But here, in this Council, legislation cannot be initiated by the people. We can only act as a rubber stamp, or even the Government's fighter. Minority Members who have minimally employed filibustering would be raucously crucified and bombarded with amendment proposals to stop their filibustering. Just go head and amend whatever they like. As for the right of removal, we do not have such a right. Can you remove C Y LEUNG? That is why we can only overthrow him.

Chairman, the Bill has provided for removal of a director. It even takes another proactive step to allow a director to protest against his removal. This is set out in clause 454. I wonder whether the Administration has ever thought of allowing me to remove the Chief Executive when the Bill was being drafted. I did not elect the Chief Executive, so I cannot remove him. Is this their logic? Do a headcount. There are so few people left sitting here. I would request a headcount again. They don't even know how to spell the word "shame", probably because it has too many letters.

Clause 454 is about a director's right to protest against his removal. It provides for the procedure which a company should follow in removing a director. The corresponding provision in the existing Companies Ordinance (the

Ordinance) is set out in section 157B. The section provides that the director so removed is entitled to be heard on the resolution at the meeting and to make representations in writing to the company; and the company, on the other hand, is required to send a copy of the representations to every members of the company or read out the representations at the meeting. If the Court is satisfied that the rights aforesaid have been abused to secure needless publicity for defamatory matter, it may by order repeal the need of the company to send out copies of the representations and read out the representations at the meeting. This is the requirement under the present Ordinance.

The corresponding provisions in the Bill are grouped into two provisions. The meaning is clearer than before. The Bill is drafted by rewriting the existing Ordinance with amendments. Regarding the criteria with which the Court prohibits by order the disclosure of representations made by a director, the Administration proposes that the corresponding sentence (that is, "to secure needless publicity for defamatory matter") in section 157B(4) of the Ordinance, which I have just referred to, be deleted and substituted by "the rights given by this section are being abused" as set out in clause 454(5).

On receipt of notice of a resolution under section 453(4) to remove a director, the company must forthwith send a copy of the notice to the director concerned. This is a legitimate request and the reason is simple. Clause 454 has set out in detail the rights to which the director concerned is entitled in the process of removal and the steps which the company are required to take. If the director concerned is not informed of the notice, the rights he is entitled to exercise under clause 454 will be undermined.

The Government has proposed an amendment to clause 454, seeking to reorganize clauses 454(3) to 454(6) and adjust certain principles. In my opinion, the original clauses in the Bill, that is, before the Government has proposed amendments to them, are not perfect. Many of them are flawed. I will explain further later.

That said, the amendments are deficient as well. Actually, they both have their pros and cons. What I want to say is that if the Government intends to propose an amendment to this clause, it should do so to the point of satisfaction and not to leave a sting in the tail or anything deficient not tackled. As there are problems with the clause before amendment and it is the Government's intention

to tackle them, should the Government not do a better job? Despite efforts have been made to reorganize clauses 454(3) to 454(6) with certain principles adjusted, we still find the clause deficient after the amendment.

Chairman, you can compare the clause on director's right to protest against removal, that is, clauses 454(1) to 454(6) with the amendment on clause 454, that is, the chunk of words set out under "By deleting subclauses (3), (4), (5) and (6) and substituting —". I will not read the clauses out, but I will focus on a certain points.

Clauses 454(2) provides that "The director (whether or not a member of the company) is entitled to be heard on the resolution at the meeting at which the resolution is voted on." In other words, the clause authorizes a director, whether or not he is a member of the company, to be heard or to speak on the removal resolution when it is taken to vote. This allows the director a chance of self-defence against the removal. This right to defence is crucial.

Given that the director concerned will be targeted at or removed, he should be, by general principle, entitled to the right to defence. This is the very notion of natural justice. A director, who is a member of a company, can exercise his voting rights carried by the shares he holds and be appointed or authorized by resolution passed at a general meeting to act as members' representative to manage the company. This can be compared to the system of representative government in which we can elect representatives to enter the legislature with our votes and these legislators will act on our behalf in discussing different affairs. The principle of the legislator is the same as the arrangement set out in the clause.

Certainly, each member of the public can cast one vote in the Legislative Council Election, but the right to vote of a member of a company is determined by the shares he holds. Thus, we have discussed earlier the weighted voting rights in relation to the shares held by a member. We can see that the Ordinance also upholds principles such as democracy and fairness, but the so-called fairness can be distorted by different systems. Nevertheless, these are what we should at least agree with in principle.

We certainly hope that legislators are elected by "one person, one vote", but it is not the case right now. Likewise, a member of a company is not necessarily entitled to one vote either. Some calculation has to be done in order

to arrive at the number of votes a member is entitled to cast because the votes correlates with the shares he holds. Under what circumstances should members of a company be at least given the rights they deserve? These rights may not necessarily be about the right of speech, but rights that they deserve. What about the execution or realization of such rights? All members of a company should at least be timely informed of a resolution to remove a director. This is the minimal right to know that they should be entitled to. The director concerned should also be given a chance of self-defence and other members of the company a chance of being notified of his self-defence.

Clause 454(2) does not lay down any restrictions on whether the self-defence or statement made by the director should be given in oral or written form. But if we read subclause (2) together with subclause (3), we will know a little more when we come to the part "makes …… representations in writing to the company (not exceeding a reasonable length) and requests their notification to members of a company". In other words, clause 454(2) does not lay down any restrictions on the oral statement made by the director concerned.

The Government proposes to delete clauses 454(3), 454(4), 454(5) and 454(6) and substitute them with several new subsections. As I have just said, Chairman, you can refer to the amended subsections, which are rather long. I will later explain in greater detail the difference between the original and the amended clauses. As only two minutes are left, which is not enough for me to explain any further, I will later explain the difference between the original clause in the Bill and the amended clause and their pros and cons. Thank you, Chairman.

CHAIRMAN (in Cantonese): Does any other Member wish to speak?

MR LEUNG KWOK-HUNG (in Cantonese): Chairman, I would like to start discussing the original clause 618. The Government has deleted the original clause 618 on "Place where register must be kept available for inspection" and substituted another provision. What is the original clause 618 about? Chairman, please wait a minute, I cannot find clause 618 …… let me discuss another provision first. I am now going to discuss clause …… I am prepared but I am sorry that I cannot find clause 618, so, I will now discuss clause 621.

The Government has substantially deleted the subclauses of clause 621; it has deleted subclauses (2), (3), (4), (5), (6), (7) and (8) and substituted subclause (2). Clause 621 is about "right to inspect and request copy". The Government has substantially deleted subclauses (2), (3), (4), (5), (6), (7) and (8) and substituted subclause (2). Subclause (2) is about "a person is entitled, on request and on payment of a prescribed fee, to be provided with a copy of the register of members of a company or the index of members' names according to the regulations made under section 648". What does clause 648 specify? It specifies that the Financial Secretary may make regulations to provide for the obligations of a company to keep any company records; to keep available for inspection any company records; or to provide copies of any company records. Chairman, can you find that? I am talking about clause 648.

CHAIRMAN (in Cantonese): Please continue to speak.

MR LEUNG KWOK-HUNG (in Cantonese): The Government believes that making clause 648 would solve the problem. Clause 648 provides that the Financial Secretary may make regulations on certain circumstances but the deletion of subclauses (2) to (8) of clause 621 causes many problems. First of all, the original subclause (6) of clause 621 specifies, "if a company contravenes subsection (3), (4) or (5), the company, and every responsible person of the company, commit an offence, and each is liable to a fine at level 4 and, in the case of a continuing offence, to a further fine of $700 for each day during which the offence continues." In deleting subclauses (2) to (8) of clause 621, the Government also deletes subclause (6), right? What are subclauses (3), (4) and (5) about? Subclause (3) reads, "if a person makes a request under subsection (2), the company must provide the copy to the person within the prescribed period after it receives the request and prescribed fee"; subclause (4) reads, "when a person inspects the register, or the company provides a person with a copy of the register or any part of it, the company must inform the person of the most recent date (if any) on which alterations were made to the register"; and subclause (5) reads, "when a person inspects the index of members' names, or the company provides a person with a copy of the index or any part of it, the company must inform the person whether there is any alteration to the register that is not reflected in the index." Putting it simply, these clauses are saying that the person must be informed and he should not be deceived.

Subclauses (3), (4) and (5) are about an offence, and subclause (6) specifies that "if a company contravenes these subsections, the company commits an offence". What can we rely on after the Government's deletion of these subclauses? We can just rely on clause 648 about the regulations that the Financial Secretary may make. I have been looking for a clause about the Financial Secretary and I have found that clause 651 is about "criminal consequences of failure to make required disclosures". Chairman, have you found clause 651? The provision specifies, "regulations made under section 650 may provide that —". The preceding Division 4 also contains provisions on penalty relating to a company's registered office and publication of information, including company names, relating to companies. The Government has moved the three subclauses of clause 621 on the offence to a subsequent clause on the regulations that the Financial Secretary may make, under which the penalty is separately defined, right? Can you see that, Chairman,?

CHAIRMAN (in Cantonese): The penalty that you have mentioned is under clause 648 rather than clause 651 that you are now discussing.

MR LEUNG KWOK-HUNG (in Cantonese): You just need to go on reading from Division 3 on Companies Register.

CHAIRMAN (in Cantonese): Clause 651 is under another Division while clause 648 is also about penalty.

MR LEUNG KWOK-HUNG (in Cantonese): Is that right? Is it clause 648? You can only interpret it this way. I am saying that the amended provision reads, "a person is entitled, on request and on payment of a prescribed fee, to be provided with a copy of the register or index in accordance with regulations made under section 648 ……". What is clause 648 about? It is about regulations on keeping and inspection of company records and provision of copies, right? Am I right in reading the Bill this way? Chairman, I have said in a well-intentioned manner that there is no reason for the deletion of all acts to be punished under subclauses (3), (4) and (5). After the deletions, these acts to be punished must be separately handled under clause 648. The provisions are really long. When

I go on reading, I find that the above deleted punishment can only be handled under clause 648. If not, I must say that it is not the Government's intention to impose penalty as it has substantially deleted subclauses (2) to (8). That is impossible, right?

Therefore, I can only make two assumptions. First, the purpose of the regulations made by the Financial Secretary under section 648 is to separately deal with the acts to be punished, that is, the Financial Secretary should make regulations to deal with the above acts in the form of a new offences. If that is not the case, I believe this amendment obviously does not comply with the intention of the original clause 621 on the offences to be punished by law. In that case, can the Secretary tell me why the above subclauses are deleted and why they have disappeared after being moved to clause 648? These are my questions.

I will now talk about clause 622, and its heading is "Consequences of contravening requirements as to register owing to other person's default". Have you noticed that the whole clause has been deleted? Besides the provisions that I have just read out, which have been substantially amended, the whole clause 622 has been deleted. This provision is just about what will happen if clause 621(3) is violated; that is, "if a person makes a request under subsection (2), the company must provide the copy to the person within the prescribed period after it receives the request and prescribed fee". In other words, the Court can enforce the law according to clause 621(7) but clause 622 has to be deleted because clause 621(7) has already been deleted.

For this reason, in respect of "right to inspect and request copy", the original provision …… the requirement "that copies must be available for inspection by other persons from time to time at places not specified" otherwise the person concerned would be punished, has disappeared. I do not understand that and I think that it is not supposed to happen. If the Secretary knows the reasons why, I hope that he would give me an answer later.

Next, subclause (2) of clause 626 on "Register to be proof in the absence of contrary evidence" has been unwaveringly deleted by the Government. Chairman, is there anything wrong with the Government? What has it deleted? Clause 626(2) provides, "if in any proceedings under this Ordinance it is sought to challenge the accuracy of any entry in the register of members by evidence of any transaction, the evidence is not admissible for that purpose unless the

transaction occurred not more than 20 years prior to the commencement of the proceedings". The time limit has been deleted; there is no time limit if it is sought to challenge the accuracy of any entry in the register of members by evidence of any transaction.

There are two meanings here: it is not allowed to challenge the accuracy and only the 20-year time limit is removed. If the 20-year time limit is removed, how many years will the duration be? That is not explained. I do not understand why the change is made. Is it because the business community has been transformed and the time limit of 20 years is no longer feasible? If the time limit of 20 years is removed so that the provision on evidence of any transaction occurred not more than 20 years prior to the commencement of the proceedings is deleted, should 15 years, 10 years or 40 years be specified? Or, is a time limit not necessary? This is puzzling and I am puzzled. After the deletion, can the evidence of any transaction not be taken as evidence? I do not know the answer and I am just saying that there is a serious problem.

Furthermore, subclause (3) of clause 623 on "Power to close register of members" has been amended. The original clause 623(3) reads, "the period of 30 days mentioned in subsection (1) may be extended in respect of any year by a resolution passed in that year at a general meeting". Chairman, have you seen how much the provision has been changed? It now reads, "the period of 30 days mentioned in subsection (1) may be extended in respect of any year by a resolution of the company's members passed in that year." What is the difference between "a resolution of the company's members" and "by a resolution passed in that year at a general meeting"? There is no explanation. I personally think that "a general meeting" should be more formal. Does it mean that a general meeting does not need to be held by changing the expression to "a resolution of the company's members passed in that year"? Chairman, do you think that a resolution just needs to be passed by a committee? It definitely needs to be passed at a Council meeting.

This change will actually make it easier to extend the 30-day period. It is because the original provision is about the need to hold a general meeting and there are specific conditions about a general meeting and how it should be held. Yet, the definition of "a resolution of the company's members passed" is unclear. How many members should there be?*(The buzzer sounded)* …… Is that right? Thank you, Chairman.

CHAIRMAN (in Cantonese): Does any other Member wish to speak?

MR ALBERT CHAN (in Cantonese): Chairman, I would like to talk about clause 467, which provides for directions to be given to a company requiring it to appoint a company secretary.

Chairman, I have commented on other provisions on similar situations, and I think there is a similar problem with this provision; that is, the expressions cited or used in the provision about the Registrar's power are disturbing.

Clause 467(1) specifies that "if it appears to the Registrar that a company is in contravention of section 465(1) or (4) or 466(2) or (3)" — section 465(1) provides that "a company must have a company secretary while section 466(2) provides that the director of a private company having only one director must not also be a company secretary of the company"; and section 466(3) provides that "no private company having only one director may have as company secretary of the company a body corporate the sole director of which is the sole director of the private company". The problem is that these provisions are about the appointment of a company secretary within a company's structure. According to the relevant provision, however, "if it appears to the Registrar that a company is in contravention of these sections, he may direct the company to appoint a company secretary". If a company contravenes a direction, it is liable to a fine.

There is something wrong with the expression "it appears …… that", Chairman. The Government's exercise of its executive power or some persons being alleged of violating certain regulations must be based on objective facts and proven with clear information. I think the expression "it appears …… that" is inappropriate and it seems arbitrary. I am not sure if there are other laws in the past that authorized certain government departments to prosecute and punish some persons based on the former's feelings that the latter had committed offences. Other provisions of this Companies Ordinance are about the Registrar being given similar powers. He has the right to give a direction if he thinks that a company has committed an offence and the company will be punished if it fails to comply with the direction given. I believe this is absolutely inappropriate and unacceptable.

Second, the subsequent clause 467(2)(a) has a similar problem. Clause 467(2)(a) provides that "the direction must specify — (a) the statutory requirement of which the company appears to be in contravention". The preceding expression is "it appears to the Registrar that" while the expression in the subsequent provision is "the direction must specify the statutory requirement of which the company appears to be in contravention". The interpretation of these two expressions seems rather arbitrary, and it seems that in exercising certain powers, the Registrar can base on his personal feelings to handle proof of facts and judgment of behaviour, and then give directions and punish persons.

Moreover, under clause 467(4), "if a company contravenes a direction under this section, the company commits an offence and is liable to a fine at level 6", which is a very high level. If it appears to the Registrar that a company commits an offence, he may give a direction, and the company which contravenes the direction is liable to a fine at such a high level. If we consider the way in which clause 465(4)(a) is written, we will see that if a company secretary of a company is a natural person, he must ordinarily reside in Hong Kong. According to the provision, if the Registrar thinks that a person does not ordinarily reside in Hong Kong, he may give a direction at any time and the person may have committed an offence. I think that this is arbitrary and inappropriate.

Chairman, I reiterate my opposition to this provision and I would like to put this on record though I will not ask for separate voting on it. On these legal expressions, I think the Government really needs to comprehensively …… I am not sure if members could accept that the Registrar be given the powers through these expressions when the Bills Committee scrutinized this Bill. I consider this really terrible. I am not sure if the expression "it appears to …… that" can be used in other clauses or other provisions involving the exercise of powers by the authorities and directions be given to require the public to meet his demands and aspirations.

Chairman, clause 472 is on the minutes of directors' meetings, and the major amendment is to change the number of years that a company must keep the records, from the original 20 years shortened to 10 years. I have checked the records but I cannot find any detailed and reasonable explanations or justification to prove why it is feasible for a company to keep the records of such minutes for 10 years less suddenly.

The original clause 472(2) provides, "a company must keep the records under subsection (1) for at least 20 years from the date of the meeting". The expression "at least 20 years" has been changed to "at least 10 years". I think that this change …… many companies in Hong Kong have been established for decades and keeping the records for 10 more years will not be a heavy administrative burden but it may be very helpful when it is necessary to trace certain problems or responsibilities and when criminal liabilities are involved. I have handled some cases in the past where some members of the public sought assistance. In one of these cases, a person used to work with a Chinese-funded institution and he held middle to senior posts. He told me that the company constantly had internal problems which involved false records and accounts.

If a company must keep the records for 20 years, these records may prove that some companies have criminal liabilities when it is necessary to carry out investigations. In substantially reducing the years of record keeping by half to 10 years in one go, I believe the Government is giving a gift to these companies or it is taking special care of them. The longer the time the records are kept, the stronger the supervision on the companies is and the pressure on them is greater. In general, a company must keep the records for at least seven years, and this is very often the case. If the minutes of directors' meetings of companies are allowed to be kept for a substantially shorter period, this will only affect the reputation of Hong Kong as a commercial city.

I do not know the requirements in foreign countries concerning record keeping. As mentioned in other provisions, the practice of foreign countries such as the United Kingdom, Australia or Singapore will be adopted. However, I fail to see in this provision whether the change into keeping the records for 10 years is in line with international standards, or has derailed from international standards. I suspect that it is probably a derailment from international standards because the information shows that some Members seemed to have asked the Government at a certain meeting to make such a change. Some Members may represent the interests of large consortia rather than the minority interests and they may be less concerned about public interests.

Therefore, I oppose this amendment and I express strong dissatisfaction with it. I believe this amendment will only bring shame upon Hong Kong as a place for company registration with international standing. In the event of any proceedings in the future, the interests of the persons concerned may be affected

due to a shorter record keeping period. It is more worrying that this amendment may allow some people to go unpunished, or to act more blatantly in the future. Hence, this is a negative amendment to the Companies Bill and it will not be beneficial to Hong Kong.

As there is a little bit of time left, I would like to talk about clause 474 concerning "written record of decision of sole director of private company". The time period is similarly changed from 20 years to 10 years. A person who commits an offence under the subsection on the written record of decision is liable to a fine at level 5 rather than level 3. In the case of a continuing offence, a further fine of $1,000 rather than $300 for each day during which the offence continues. This is purely a matter of money and I think the fines are negligible. Yet, just like the provisions discussed above, substantially shortening the record keeping period by 10 years is an indulgent, pampering, and particularly lenient arrangement. The Government has been very lenient to the business leaders, and this is obviously another act of favouritism.

CHAIRMAN (in Cantonese): Does any other Member wish to speak?

MR WONG YUK-MAN (in Cantonese): Chairman, I have just compared clause 454(3) with the amended clause. Let us take a look at the comparison between subclauses (3), (4), (5) and (6) of clause 454 and clause 454 after these subclauses have been deleted. It is stated in clause 454(3), "if notice is given of a resolution under section 453(4) to remove a director, and the director concerned makes with respect to it representations in writing to the company (not exceeding a reasonable length) and requests their notification to members of the company, the company must, unless the representations are received by it too late for it to do so — (a) in any notice of the resolution given to members of the company, state the fact of the representations having been made; and (b) send a copy of the representations to every member of the company to whom notice of the meeting is sent (whether before or after receipt of the representations by the company)".

Evidently, clause 454(3) refers to written representations. The restriction on written representations under subclause (3) may not apply to oral representations. We also want to ask what is meant by "a reasonable length". Is "a reasonable length" determined from the perspective of a director, the

company or the mover of the resolution to remove a director? The restriction of written representations is different from that for oral representations but it seems that the difference has not been made explicit.

Logically speaking, the length of the written representations or the so-called "reasonable length" may only affect the printing costs because the printing costs may be higher or lower, and whether the delivery of documents will become more convenient. If the copies of the representations are rather thick or voluminous, or the general meeting is attended by many members so that a large number of printed copies are required, it may be less convenient in terms of logistics.

But how will oral representations be affected? Just like Council meetings, the general meetings may be very long or very short. Even long Council meetings are useless because there are only a few Members here. What is the difference? Does it lie in the higher printing costs or convenience in delivery for written representation while oral representations will affect the length of general meetings? Nevertheless, detailed written representations may help members understand the background and grounds of the resolution to remove a director. Why is there a requirement in clause 454 on the length of written representations? This requirement is interpreted as "a reasonable length" but this is not elaborated. If a copy of the written representations is sent too late to the company or the written representations fail to be sent according to clause 454(3) because of the company's default, according to clause 454(4), "the director may (without prejudice to the right to be heard orally) require that the representations be read out at the meeting". Yet, clause 454(4) has not explicitly explained the meaning of "too late".

As compared with clause 454(1) requiring that the company must forthwith send a copy of the notice to the director concerned on receipt of notice of a resolution, the words "too late" are used in clause 454(4). The term "on receipt" clearly means immediately, but, what is the meaning of "too late"? Does it mean that it is too late if action is not taken "on receipt"? The term "too late" is used in subclauses (1) and (4) of the same clause. Obviously, the term "on receipt" is clear enough but the term "too late" is very ambiguous. Yet, it is not explicitly stated in the provisions the time limit for the written representations to be sent to the director; and clause 454(4) has not given the director legal relief in

case of the company's default. The director can only ask for the representations to be read out at the meeting without prejudice to his right to be heard orally.

I also have a question about the expression "without prejudice to the right to be heard orally". Now that the director has the right to make representations at the general meeting under clause 454(2), what is the meaning of the expression "the representations to be read out" in clause 454(4)? Do you understand that, Chairman? Please take a look at subclauses (2) and (4). The director has the right to make representations at the general meeting under subclause (2) but it is a bit strange for the expression "the representations to be read out" to appear in subclause (4). These provisions are cumbersome. If you compare subclauses (1), (2), (3), (4), (5) and (6), you will find that these provisions are cumbersome. Clause 454(5) restricts the application of clause 454. The provision reads, "copies of the representations need not be sent and the representations need not be read out at the meeting if, on an application either by the company or by any other person who claims to be aggrieved, the Court is satisfied that the rights given by this section are being abused". Chairman, this provision gives rise to some problems.

First, "any other person who claims to be aggrieved" in the provision should include other directors of the company, the staffs and members of the company and even persons who are related or unrelated to the company. Can the Secretary clarify the legislative intent and grounds of this clause?

Second, the provision specifies, "copies of the representations need not be sent and the representations need not be read out at the meeting". The words "need not" only illustrate that the company or director does not have the responsibility to send or read out the representations. Why is such behaviour not prohibited now that the rights granted by the provision have been abused?

Reading between the lines, we know that clause 454(5) is about the director's written representations but the wording in the provision is "the rights given by this clause". Such rights include "the director's right to be heard on the resolution at the meeting" as stated in clause 454(2). Thus, we can see that the clause 454(5) as drafted is inconsistent with clause 454(5).

Evidently, the most serious problem with the Bill is the ambiguous provisions and the lack of appropriate relief for the director when the provisions have been contravened. As we have noticed, deleting subclauses (3), (4), (5)

and (6) and new subclauses (3), (4), (5) and (6) has probably made improvements to the two situations as I have just mentioned. But, the improvements are not totally favourable.

Given the ambiguous provisions and the lack of appropriate relief for the director when the provisions have been contravened, the amendments have made improvements to the two situations. We can see that a time limit is specified in subclause (4) of the amendment. According to the time limit specified in subclause (4), if the company receives the representations on a date which is more than two days before the last day on which notice may be given, there is a requirement for the company to state, in every notice of the meeting given to the members, that the representations have been made, and to send a copy of the representations to every member. In other cases, there is a requirement to ensure that the representations are read out at the meeting. That is the provision of subclause (4) of the amendment.

Regarding subclause (6) of the amendment, apart from the reasons for the abuse of the right as stated in the original provisions of the Bill before amendments, subclause (6) on "has used such a right to secure needless publicity for defamatory matter" is added to the amendment, which is a new reason.

Another amendment is related to subclause (7). Subclause (7) provides, "if the company contravenes subsections (3) to (5), the resolution passed at a general meeting remove a director is void even though section 552(1) is complied with." I have just said that we, in principle, think that these are feasible improvements though they are still not good enough.

Of course, improvements have been made and these provisions are better than those in the original Bill. But they are still not good enough and there are a number of defects. I would like to talk about two defects. First, clause 454(3)(b) of the amendment just specifies that "the director may request the company to comply with the requirement specified in subsection (4) in relation to the representations". Subclause (7) contains a more stringent requirement but why is subclause (3)(b) not a mandatory requirement? The amendment has fallen behind the original provision of the Bill. Clause 454(3) uses the word "must"; when we compare the words "must" and "may", we know that "must" denotes a mandatory requirement while "may" does not. The wordings "may request" are used, right?

The expression "secure needless publicity for defamatory matter" is used in subclause (6)(b) of the amendment. The defect is that it has not been explicitly stated if there is one requirement or two requirements. In fact, it should be stated in subclause (6)(b) whether the two parts should be joined by the connectives "or" or "and". That is unclear.

Basically, after clause 454 has been amended, the provision on a director's right to protest against removal has been relatively improved. First, it is better than the provision in the original or existing Companies Ordinance. After being amended, subclauses (3), (4), (5), (6) have been deleted from clause 454 and substituting new subclauses (3), (4), (5), (6), which is basically a kind of progress. Yet, we still have to wait for the authorities to propose remedies for the two defects that I have just mentioned.

Thank you, Chairman.

CHAIRMAN (in Cantonese): Does any other Member wish to speak?

MR ALBERT CHAN (in Cantonese): Chairman, I would like to discuss some unique points in clause 475 which are worth consideration. It would be better for those defending traditional moral principles to take a look.

The Government has made some amendments to this provision. First, the definition of the term "adopted" is added, and the new subclause (2) specifies that a reference to a minor child is a reference to a child who is under 18 years of age. There are problems and the scope covered should be rather controversial and special. However, it seems that this provision has not aroused public concern or caused any debate.

Chairman, let us take a look at clause 475. It is specified in the Government's amendment that cohabitation relationship means a relationship between two persons (whether of the same sex or of the opposite sex) who live together as a couple in an intimate relationship. Subclause (2) provides that "in this Division, a reference to a minor child is a reference to a child who is under 18 years of age". Chairman, I support this amendment in principle but I must say that there are potential problems with defining "a child" as "a child adopted in any

manner recognized by the law of Hong Kong". We clearly know that only heterosexual marriage is recognized in Hong Kong. In the case of companies, quite a few cases are related to overseas companies.

I just wish to give an example to illustrate that the provision may involve legal disputes in the future for there may be disputes over some legal provisions as homosexual marriage is not recognized. For example, we all know that Spain currently allows the adoption of children by homosexual couples. Under this premise, if the persons in charge of a multinational company in Spain or the Chairmen or all the Board members of the company were from families formed on the basis of homosexual marriage, these children may inherit the estate or the interests of the company since Spain allows the legal adoption of children by these persons. There will be arguments if there is an identity issue and if there are disputes in the future involving the children that this provision has referred to. Chairman, I have just read out, "a child adopted in any manner recognized by the law of Hong Kong". Since these adopted children are not recognized by the law of Hong Kong, there may be problems with their legal identity because of the way this provision is written. Under the existing Ordinance, these persons may not comply with the requirement in clause 475(1).

Chairman, I wonder if the Government has any solution to these problems though they may not appear. This definition and the obvious difference and even contradiction between this definition and other cases in foreign countries may cause material changes in the legal identity of certain persons because they are recognized by some countries but not by some other countries. There will be legal disputes if the persons concerned are associated with the interests under the Companies Ordinance. The Court will make the final decision but I think the Government cannot just close its eyes as though nothing has happened.

Chairman, as I have read this provision, I raise my observation and opinion lest the Government may fail to handle the problems as it were dreaming when they emerge in the future. I am also uncertain if this provision will cause anybody to file a petition for judicial review or cause other disputes.

Next, I would like to talk about clause 477 on connected entity. This provision is found in the existing Ordinance. Some provisions have mainly be added and some amendments have been made to clauses 477 and 478. The amendments mainly extend the scope of coverage of an entity connected with a

director. According to the amendments, the scope covers the director's adult children, adult stepchildren and adult children born out of wedlock; second, the director's adopted children; third, the director's parents; fourth, the director's cohabitant of the same sex or different sex; and fifth, the cohabitant's minor children or minor adopted children; they are not the director's children or adopted children and they are in a cohabitation relationship with the director. Such details are set out in the provision.

Chairman, the amendments mainly change the expression "living as a couple in an enduring family relationship" to "a person who is in a cohabitation relationship with the director". I believe this change originates from the definition of "cohabitation relationships" in the Domestic and Cohabitation Relationships Violence Ordinance. The amendments to this provision may have been made after making reference to other ordinances.

Chairman, it is definitely important to make reference to other provisions but I wonder if this is the original intent of the Government in making the amendments. If we simply consider the wordings, the expression "cohabitation relationships" is very different from the preceding expression "living as a couple in an enduring family relationship". Interpreted literally, the expression "living as a couple in an enduring family relationship" reflects a much broader relationship, and many different forms of relationships can be considered as "living as a couple in an enduring family relationship", which is different from "cohabitation relationships". I trust that ordinary people will consider that the definition of "living as a couple in an enduring family relationship" covers a mistress, a lover, a second wife or a third wife. Yet, the definition of "cohabitation relationships" is rather narrow.

Whether the amendments are mechanically made by the Government with reference to other ordinances or there are changes to the policy intent, it is not a big problem as long as the Government has given both of them due regard. If it has just mechanically made reference to other ordinances and simply changed certain expressions, causing deviations from the original intent when the Ordinance was initially drafted and changes in the scope of coverage of the Ordinance, there will be contradictions and deviation from the initial policy intent of the Government. I am not sure whether this is true or not and whether this is just my unfounded worry.

Furthermore, I would like to briefly discuss an expression in the next clause, that is, clause 479. Chairman, the major amendment to clause 479 in the Chinese text is the change of the words "大部分" to "過半數" in clause 479(1)(b) but the word "majority" is still used in the English text.

Chairman, I believe we all know the word "majority" and it is defined in many rules in the Rules of Procedure. Having referred to the Rules of Procedure and the House Rules of the Legislative Council, I find that it is clearly stated in Rule 46(4) in Part J: Voting that "There is a majority vote when the Members voting in favour of a question exceed half of the number of Members present at the time of voting". The definition is sufficiently clear. I have also referred to the definition in the Companies Bill — I am not sure if I have missed out anything and I hope the Secretary would give me his opinion — I cannot find this meaning in the definition.

I trust that the Chinese words "過半數" are clearer; but, basing on the definition in the Rules of Procedure, "過半數" (majority) often means half of the total number after deducting abstaining votes from the total votes cast; which is not necessarily half of the attending Members. Unless explicitly set out in the provisions, that is, set out according to the Rules of Procedure as I have just read out, that "majority" means that the number of members who voted for a motion is greater than half of the number of members present at voting. There are other provisions about the interpretation of the Chinese wordings "過半數" and the English term "majority" but I cannot find the relevant interpretation in this provision. If there is no interpretation, will there be …… if there is an interpretation, I hope the Secretary would give me his opinion and the problem will then be solved. If there is no interpretation, I believe this may cause legal disputes in the future. It would be unnecessary for Honourable colleagues to have different interpretations of the voting results. We have the responsibilities if this problem originates from the slipshod and omissions of law drafting. I trust that this is a problem. Thank you, Chairman.

CHAIRMAN (in Cantonese): Does any other Member wish to speak?

MR LEUNG KWOK-HUNG (in Cantonese): Chairman, I am going to discuss clause 628(3). The Government's amendments delete paragraphs (a) and (b) and

substitute them with "(a) must cause a duplicate of it to be kept at the place at which the company's principal register is kept; and (b) must, within 15 days after an entry is made in the branch register — (i) transmit a copy of the entry to its registered office; and (ii) update the duplicate of the branch register".

How is this original clause written? The original clause 628(3) provides, "A company that keeps a branch register — (a) must transmit to its registered office a copy of every entry made in the branch register as soon as possible after it is made; and (b) must cause to be kept at the place where the company's principal register is kept a duplicate of the branch register entered up from time to time". The way in which the amendment is written differs from that of the original clause.

It is impossible to explain what the relatively abstract time expression "as soon as possible" in clause 628(3) means. I believe that roughly speaking, if there is no reasonable explanation, unreasonable delay in legal provisions is interpreted as not "as soon as possible". There will certainly be heated arguments about whether or not the action has been taken "as soon as possible".

What is written in the amendment? The amendment has rewritten clause 628(3)(b), specifying that "within 15 days after an entry is made in the branch register", which means that the action need not be taken "as soon as possible" though it should not be delayed until the 16th day. I believe this is a very explicit legislative practice and no argument is needed. Similarly, it has been specified that a Member's speaking time is 15 minutes and it does not make sense to say that our speech should be shortened or lengthened as far as possible.

It is a highly desirable legislative practice to change an abstract concept to a real time limit lest it would be necessary for people to argue about the meaning of "as soon as possible" during legal proceedings. For instance, will "as soon as possible" take 10 days? Will 10 days be taken even if it may not be necessary to spend 10 days? There is another problem with the amendment: What does the 15-day duration mean? Are these working days? Are public holidays included? As I have not read the interpretation section at the very beginning, I do not know what these 15 days mean and how they are counted. But the number of days does not matter if only "as soon as possible" is specified for we just need to determine whether the person concerned has tried his best to take action at the first instance. If it is required that the action should be taken within

15 days, it should be stated clearly whether 15 working days are counted. Otherwise, ambiguity may arise.

What is the amendment to clause 628(3)(b)? This is a corresponding amendment. The original clause reads, "must cause to be kept at the place where the company's principal register is kept a duplicate of the branch register entered up from time to time". Subparagraph (ii) of the amendment is "update the duplicate of the branch register", which should be read together with "within 15 days" in paragraph (b); that is, "update the duplicate of the branch register within 15 days", and there is a time limit. The original provision in the Bill is "a duplicate of the branch register entered up from time to time" and there is a reason for it to be written this way. If only "as soon as possible" is specified, the action may be taken within three years. Taking action within three years may have gone too far, but, if "as soon as possible" means taking action within 45 days, earth-shaking changes may take place within 45 days. Some people may cheat if the latest entry is not made, right? Therefore, the meaning of the original provision is that even though the action has to be taken "as soon as possible", an entry must be made on the changes that take place from time to time.

I think it is commendable for the law to specify more definite responsibilities for register keeping. Clause 628(6) has not been amended, and it provides, "if a company contravenes subsection (3), the company, and every responsible person of the company, commit an offence, and each is liable to a fine at level 4 and, in the case of a continuing offence, to a further fine of $700 for each day during which the offence continues". This is a meaningful provision but it would become meaningless if the wordings "as soon as possible" and "from time to time" are still used in clause 628(3). There is now a time limit and the action must be taken within 15 day. The information entered within 15 day must be updated, and the punishment in clause 628(6) will then be meaningful. Yet, I believe the punishment is a bit too lenient. Why can the action not be taken within the time limit of only 15 days? Common sense tells us that there should be a heavier punishment if the action cannot be taken within 15 days. This is a very simple requirement that has been stated in advance. As information should be entered in the register as soon as possible within 15 days, I think the persons who fail to do so should be given heavier punishment.

Next, I would like to talk about clause 634 on "Particulars of directors to be registered". The Government has proposed an amendment to this provision. In the definition of "residential address" in clause 634(4), it deletes paragraph (b) and substitutes it with "(b) does not include a post office box number". What is the original definition? It is "(a) does not include an address at a hotel unless the person to whom it relates is stated, for the purposes of this section, to have no other permanent address; and (b) does not include a post office box number unless the number is coupled with a residential address".

In other words, it will be acceptable if there is a post office box number and a residential address. This part has been deleted, meaning that a post office box number is not accepted. I think that is not very desirable and I wonder if there is anything wrong with the original provision about a permanent address and a post office box number, and a post office box number coupled with a residential address. In the business world, many people are using post office boxes in the General Post Office. What is wrong with providing a post office box number?

I am now going to discuss clause 636, "Duty to notify Registrar of appointment and change". The Government proposes an amendment to clause 636(1)(b), which is to delete "and the person has attained the age of 18 years". Clause 636(1)(b) specifies, "(if the person is a natural person) — a living person rather than a legal person — a statement that he or she has accepted the appointment — the appointment as director, and the amendment deletes the immediately following sentence — and has attained the age of 18 years". I think this is a reasonable deletion because a person's age will not affect whether or not he can be appointed as director. In the past, a person who has attained the age of 18 years is considered as a person who can take care of himself or his property; I do not think this definition is essential. Unless it is essential to protect that person ……

CHAIRMAN (in Cantonese): Mr LEUNG, you have got it wrong here.

MR LEUNG KWOK-HUNG (in Cantonese): I beg your pardon.

CHAIRMAN (in Cantonese): The part about the person has attained the age of 18 years has not been deleted.

MR LEUNG KWOK-HUNG (in Cantonese): Is that true?

CHAIRMAN (in Cantonese): Only the expression "the person has accepted the appointment; and" has been deleted.

MR LEUNG KWOK-HUNG (in Cantonese): I am sorry that I have made a mistake. In other words, the provision as amended is, "(if the person is a natural person) a statement that he or she has attained the age of 18 years", right?

CHAIRMAN (in Cantonese): That is right.

MR LEUNG KWOK-HUNG (in Cantonese): I am sorry for the mistake I made.

The next subdivision is about Company Secretaries and I will stop speaking now.

CHAIRMAN (in Cantonese): Does any other Member wish to speak?

MR ALBERT CHAN (in Cantonese): Chairman, I do not know much about financial accounting. There are amendments to many provisions of the Bill which change the original term "total assets" to "net assets". For example, the heading of clause 496 is "Exception for loan, quasi-loan and credit transaction of value not exceeding 5% of total assets or called-up share capital". The amendments change the term "total assets" to "net assets", and similar amendments have been made to a number of provisions following clause 496.

Chairman, the amendment to clause 500 also changes the term "total assets" to "net assets", and I understand that. In the course of the Bills

Committee's deliberations, some Members touched upon the effect of the use of the term "total assets". Some commented that it was more favourable to companies with heavy debts if the value was calculated on the basis of the total assets because some of the assets might also be liabilities. When companies with heavy debts extended loans to directors and the companies' associated entities, the lenders might be benefited. On the contrary, this might be unfavourable to other shareholders.

What is the effect of the Government's proposed amendment to "net assets"? What is the effect on the spirit of the legislation? We did not have any substantive assessment or discussion. Firstly, the definition of "net assets" is not set out in the Bill while there is a clear definition for "net assets" in the Listing Rules. Generally speaking, I believe the definition has some reference value and is legally binding in respect of other ordinances and legal disputes. I think the failure to assess and examine the material amendments to the Bill is a small negligence.

On the surface, these amendments appear reasonable and beneficial to ordinary minority shareholders. There should be reasons for the original term "total assets" to be used in the provision, and there may be a big difference between 5% of total assets and 5% of net assets. We have not assessed if there will be unexpected effects on the implementation of policies and the operation of companies and we do not have relevant information. The Government can certainly conduct another review after the implementation of this Ordinance. I do not think there would be earth-shaking changes then though there would be certain effects. The failure to assess in advance the effects of any changes to public policies and amendments to any legal provisions is not necessarily a responsible behaviour. Basing on logical inference, this arrangement might be worth accepting.

Chairman, I would also like to discuss clause 503 on "Exception for intra-group transaction". This amendment mainly deletes sections 157HA(9) and (11) of the existing Companies Ordinance, specifying that the amount of $750,000 and 5% of the amount of the company's net assets. This is a technical amendment and the original text of the Bill deletes "the value of intra-group transaction does not exceed 5% of the amount of the company's net assets". This basically deletes certain restrictions such as making a loan to a body corporate that is a member of the group. Deleting the relevant provisions will

certainly bring convenience to some people, and I think that the financial limits specified years ago as 5% or a certain amount should be changed — the amount of $750,000 may be negligible at present — it is appropriate to delete the financial limit of $750,000 because this required amount was previously specified.

Nonetheless, if the authorities completely remove these restrictions all at once so that the company is not subject to such restrictions in extending loans, there may be misconduct, which may result in sudden changes in the company's financial operation. I believe there will be some cases in the future where company loans increase significantly due to the removal of such restrictions, or there are financial problems, which will inevitably lead to more disputes or legal proceedings. This amendment will probably lead to the company's soaring loans which may have impacts on its financial operation and could result in its insolvency, bankruptcy or having severe financial problems. I believe these cases will continue to emerge.

If it is considered that the restriction of 5% of the net assets is inappropriate, I do not know whether the Government has considered increasing the percentage to 10%, 15% or 20%. It should not arbitrarily delete these two barriers all of a sudden. Chairman, I also have worries about how much negative impact this approach will have. As we all know, the board of directors manipulate a company. The directors having controlling interests of the company may increase their personal interests by using their financial abilities in the company loans. They may do so through financial arrangements and loans, and they may put their personal interests above the interests of the company. This seems to be an inappropriate or unreasonable practice. Hence, it may not be desirable to relax this restriction.

CHAIRMAN (in Cantonese): Does any other Member wish to speak?

MR WONG YUK-MAN (in Cantonese): Chairman, clause 43 of the Companies Bill (the Bill) mainly provides …… as there are too many clauses, I have chosen this clause which is worth discussing. I have chosen clause 43 for discussion because it is about "Registrar must make Companies Register available for public inspection", which involves the right to know. Clause 43 originates from

section 305(1A) of the Companies Ordinance (the Ordinance). Why was this provision made? Let me talk about the Ordinance first. This provision was introduced in 2004 on the suggestion of the Privacy Commissioner for Personal Data (the Privacy Commissioner) to expressly state the legitimate purposes of public inspection. The legitimate purposes mentioned in the provision mostly include preventing fraud or conflict of interests, such as preventing other persons impersonating directors of a company to obtain benefits.

Section 305(1A) was introduced in 2004 on the suggestion of the Privacy Commissioner but similar provisions are found in other ordinances such as section 136 of the Securities and Futures Ordinance. We support the provision on "Registrar must make Companies Register available for public inspection" because it can really help reduce illegal activities.

I have seen in the newspapers the advertisement placed by the Cheung Kong (Holdings) Co. Ltd. (the Cheung Kong Group), stating that some unscrupulous parties have been passing themselves off as Cheung Kong (Holdings) Limited or as being associated with the company, in carrying out certain fraudulent activities in various parts of the Mainland China, and around the world. In a statement published on its website, the Cheung Kong Group has pointed out that the activities include "transmitting fraudulent emails claiming to specialize in venture capital investments, to solicit business proposals and investment opportunities, to express investment interests and to invite response, to provide financial services, to seek for funds into designated accounts, passing off as directors and staff, to job seekers using the Company's name, claiming to offer jobs or inviting recipients to attend work trials". We learnt from the statement that the case was very serious. It would be very dangerous if someone impersonates others and engages in fraud, but it is impossible to verify the authenticity.

If any member of the public can make use of the mechanism of "Registrar must make Companies Register available for public inspection" under clause 43, they can be clear about the identity of lawless persons and prevent impersonation. We often find the Government's TV announcements appealing to members of the public to be aware of fraud but many such TV announcements appeared very "stupid". After the passage of this Bill, the Government can also produce another TV announcement but I do not think it will do so because it would be difficult for it to produce TV announcements on over 900 provisions. In any

case, the provisions have to be clearly written so that everyone would know his own rights.

There are many Mainland and overseas investors in Hong Kong and our investment environment is different from that in the past. Moreover, many state-owned enterprises from the Mainland are listed in Hong Kong. There are frequent business exchanges between Hong Kong and the Mainland, and there are a lot of visits between the two places. There are political exchanges in addition to commercial exchanges. Therefore, we, Legislative Council Members, frequently received telephone calls before 1 July asking whether Mr LEUNG Kwok-hung would be shouting "HU Jintao step down" at the Convention and Exhibition and whether Mr WONG Yuk-man would appear. They checked it out through a lot of people. Some put up a pretense, claiming that they were professors from some academic institutions in the Mainland and that they wanted to meet Mr LEUNG Kwok-hung's assistant. In fact, they just wanted to get certain information.

There are very close "exchanges" between the two places. Some people would impersonate other people, and how can we know their true identity? How can we know whether they are national security officers, national treasures or public security officers? Are they from the Guangdong Provincial Public Security Department or the Hainan Island Public Security Bureau? They are known by many names and one of them has even claimed that he is the Professor of the Institute of Taiwan Studies at the Xiamen University and he has also presented his business card. Buddy, I really do not know if their identity is true or not.

The same happens to companies. If companies registered in Hong Kong are involved, you can check the Companies Register. Thus, even Mainland businessmen doing business in Hong Kong can have more confidence in Hong Kong companies and more investors will be attracted to Hong Kong. Common sense tells us that this should be done. Since many people on the Mainland want to make investments in Hong Kong, this provision can increase their confidence in investing in Hong Kong.

Let us consider the contents of clause 43. I think that the implementation details of the mechanism of making the Companies Register available for public inspection are not very clear. For example, clause 43(1) specifies, "The

Registrar must make the Companies Register available for public inspection at all reasonable times so as to enable any member of the public — (a) to ascertain whether the member of the public is dealing with ……". After stating "to enable any member of the public", it is also stated in (a) "to ascertain whether the member of the public is dealing with ……", followed by subparagraphs (i) to (vi). Basing on the suggestion of the Privacy Commissioner at the time, clause 43(1) is a statement, but the Government has responded at a meeting of the Bills Committee that it is a condition of inspection. Does any member of the public need to prove that they have the purposes stated in clauses 43(1)(a) and 43(1)(b) before they inspect the Companies Register?

There are subparagraphs (i) to (vi) under clause 43(1)(a), and there is clause 43(1)(b) — I will not cite the details of subclause (1)(a) — clause 43(1)(b) seeks to "ascertain the particulars of the company, its directors or other officers, or its former directors (if any), or the particulars of any person mentioned in paragraph (a)(iv), (v) or (vi)".

Must a member of the public prove that he has the purposes or conditions set out in clauses 43(1)(a) and 43(1)(b) before inspecting the Companies Register? If that is not the case, does the lengthy provision in clause 43(1) make sense? If the provision is not essential, clause 43(1) does not make sense. On the contrary, if this provision is essential, it will restrict the right of any member of the public to inspect the Companies Register. If it is found that any member of the public falsely claims that the Companies Register is inspected for the purposes stated in clauses 43(1)(a) and 43(1)(b), will there be any punishment? Will there be a waste of resources or government manpower? Does the Registrar have the right to ask any member of the public to submit evidence to prove compliance with the conditions or purposes of the inspection referred to in paragraphs (a) and (b)?

The Companies Register is inspected by some persons for the purpose of ascertaining compliance with the provision of clause 43(1). The problem is that there is a detailed description in the provision: before the inspection of the Companies Register, any member of the public must ascertain …… the contents of the provision are complex and cumbersome. A member of the public must ascertain "(a) to ascertain whether the member of the public is dealing with — (i) a company, or its directors or other officers, in matters of or connected with any act of the company; (ii) a director or other officers of a company in matters of or

connected with the administration of the company, or of its property; ……" Members of the public may not clearly understand the lengthy provision. They may have to inspect the Companies Register because they want to find out more about the company concerned and its directors. The word "may" used in the provision is not clear enough. Is that a condition of inspection or a statement of purpose? The provision is unclear.

Who are the members of the public referred to here? Do they generally refer to the general public? That is not the case. Only a few types of people inspect the Companies Register, including the general public. However, the general public will not frequently inspect the Companies Register. The inspection is mostly carried out by shareholders or prospective shareholders; that is, the persons who are ready to buy shares or the companies' shares. As I have just mentioned, inspection of the Companies Register involves the right to know, therefore the Government must carefully deal with the rights of these different types of people. Shareholders have explicit purposes for the inspection of the Companies Register and there are conditions for their inspection; yet, there are no such conditions for prospective shareholders and the public. Viewing from another angle, we think that the provision does not provide sufficient protection to people who are not shareholders or prospective shareholders.

I suggest that the Government can make reference to section 136(5) of the Securities and Futures Ordinance. Chairman, please allow me to cite this provision containing a similar section. Section 136(5) of the Securities and Futures Ordinance provides, "At all reasonable times, a member of the public may — (a) inspect the register, or (where the register is maintained otherwise than in a documentary form) a reproduction of the information or the relevant part of it in a legible form; and (b) obtain a copy of an entry in or extract of the register on payment of the prescribed fee." This provision explicitly states that members of the public may inspect the Companies Register without conditions. The statement of the purpose of making the Companies Register available for public inspection is found in another provision. The statement of the purpose has become a principle lest people should be misled. If clause 43 can be stipulated this way, it would be easier for the general public and the prospective shareholders to look up information.

Nonetheless, if the Government really needs the persons inspecting the Companies Register to give the reasons for the inspection, it needs to make

additional provisions to specify that the Secretary may amend clause 43(1) by notice published in the Gazette, making it easier and more flexible for the Government to change these conditions.

Concerning the statement of the purpose, if reference is made to section 18 of the Personal Data (Privacy) Ordinance, we will find that an individual may make a request for access to his personal data in the Companies Register. However, that is not mentioned in this provision. Hence, clause 43 has not fully described the extent to which members of the public may inspect the Companies Register. I have just said that the provision does not pose any problems to the shareholders but there are problems for the prospective shareholders and the general public. We can understand that clearly by referring to section 18 of the Personal Data (Privacy) Ordinance, which specifies that an individual may have the right to make a request for access to his personal data in the Companies Register *(The buzzer sounded)* ……

CHAIRMAN (in Cantonese): I now suspend the meeting until 7.30 pm.

6.20 pm

Meeting suspended.

7.30 pm

Committee then resumed.

CHAIRMAN (in Cantonese): This Committee will continue to examine the provisions of the Companies Bill to which amendments have only been proposed by the Secretary for Financial Services and the Treasury.

Does any Member wish to speak?

MR ALBERT CHAN (in Cantonese): Chairman, I have just finished talking about clause 500. The Government has deleted the exception in the original provision for loan and guarantee of value not exceeding 5%, and I have expressed my worries when I made my comments.

Chairman, clause 501 in Part 11 — Division 2 — Subdivision 3 contains special provisions for exceptions. Clause 501 is on "exception for leasing goods and land etc.", and subclause (2) specifies, "the conditions are — (a) that, at the time the transaction in question is entered into, the total exposure amount does not exceed 10% of ……". This is a considerable amount because 10% of the asset of a multinational company or the consortium of a super-rich local businessman involves an extremely large amount. In respect of business operation, in many cases, the person concerned will make use of these powers or the special arrangements under the law to make some personal decisions to increase their wealth, which may aggravate the company's financial pressure. Hence, I believe these provisions basically may not be able to provide adequate and reasonable protection to general shareholders.

These provisions, including the aforesaid clauses 500 and 501, further confirmed that, in connection with overall orientation and development, the whole Bill is specially formulated for big consortia and powerful persons, and insufficient protection is provided to small shareholders. Similar arrangements have been made in clause 503 and some subsequent clauses.

Thank you, Chairman.

CHAIRMAN (in Cantonese): Does any other Member wish to speak?

MR LEUNG KWOK-HUNG (in Cantonese): Chairman, thanks for your books. I was very grateful when I saw the books on my desk, but it was a big failure on your part. Although the red one is very interesting, the green one is not quite so. Excuse me, I am just being frank. I have spent nearly an hour reading them before coming down.

I am going to discuss clause 650(1) of the Companies Bill (the Bill), which is contained in Part 12 — Division 4 on page C1303 of the Blue Bill. The

proposed amendment to clause 650(1) reads, "By deleting paragraph (b) and substituting — '(b) to state prescribed information in common seals, and in prescribed descriptions of documents or communications; and'.". I believe "common seals", which is proposed to be added to the Bill, refers to the articles of companies rather than seals. Although I have not read the English version, I think "common seals" should be interpreted in this manner. I think this is a proper approach because the name of the company and its registered office ought to be stated clearly in common seals, for doing so can give members of the public greater protection in acquiring information and their right to know.

Next, the proposed amendment to clause 650(2) reads, "By deleting paragraphs (a) and (b) and substituting — '(a) may in prescribed circumstances require disclosure of the name of the company; (b) may make provision as to the manner in which any prescribed information is to be displayed, stated or provided; and (c) may exempt a company from any requirement of the regulations made under subsection (1).'." The original clause 650(2) did not provide for the newly added paragraph (c), which reads, "may exempt a company from any requirement of the regulations made under subsection (1).".

What is subsection (1) about? It has something to do with the Financial Secretary. To a certain extent, Secretary Prof K C CHAN should be capable of taking up this post — Subclause (1) reads, "The Financial Secretary may make regulations to require companies — (a) to display prescribed information in prescribed locations; (b) to state prescribed information in prescribed descriptions of documents or communications; and (c) to provide prescribed information on request to those they deal with in the course of their business." In other words, a company may be exempted from any requirement of the regulations made under subclause (1), that is, regulations made by the Financial Secretary. It is certainly more comprehensive to do so, because the problem arising when there is contradiction between the two can then be resolved.

Let me jump to clause 655 under Division 5 concerning annual returns. Like a birthday, an annual return by its very name is to be furnished on an annual basis. What alternation will be made under the proposed amendment …… No, Chairman. Excuse me, I would like to discuss clause 651(c) first. Sorry, I have jumped too fast.

The proposed amendment to clause 651(c) seeks to delete part of its provision. The original provision of clause 651(c) reads, "a person who commits an offence mentioned in paragraph (a) or (b) is liable to a fine not exceeding level 3 and, in the case of a continuing offence, to a further fine not exceeding $300 for each day during which the offence continues." According to the proposed amendment, the part concerning the fine of $300 is now deleted.

The proposed amendment to clause 651(c) reads, "By deleting everything after 'level 3' and substituting a full stop." This means that "…… in the case of a continuing offence, to a further fine not exceeding $300 for each day during which the offence continues" is to be deleted. Obviously, a fine no longer needs to be imposed with regard to a continuing offence. Why? I do not understand. Hence, I hope the Secretary can explain to us in his speech why a fine is not required to be imposed on an offender with regard to a continuing offence. Is it because, after the legislation is amended, a continuing offence will be out of the question or such continuing offences do not warrant a fine? I have this query after reading the proposed amendments. I think the Secretary should explain this.

Now, let me come back to clause 655 again. Clause 655 is related to contents of annual return. The Government has proposed in its amendment to add subclause (4) to clause 655, which original had subclauses (1), (2) and (3) only. The newly added subclause (4) reads, "Despite subsection (3) ……". What are the contents of subsection (3)? It reads, "Without limiting subsection (1), an annual return under section 653 must — (a) contain the information specified in Schedule 6; and (b) be accompanied by the documents specified in that Schedule.".

Subclause (4), which is proposed to be added, reads, "Despite subsection (3), if — (a) an annual return is required to be delivered by a private company under section 653(1) in respect of a year; and (b) at any time during the year — (i) the company registers any transfer of shares in the company in contravention of the restriction imposed by the company's articles; (ii) the membership of the company exceeds the number specified in section 10(1)(a)(ii); or (iii) the company makes an invitation to the public to subscribe for any shares or debentures of the company, the annual return must contain the information, and be accompanied by the documents, specified in subsection (5) instead.".

Next, the proposed addition of subclause (5) reads …… Perhaps I should read out subclause (6), which is proposed to be added, instead of paragraphs (a) and (b) of subclause (5). Subclause (6) reads, "The Court may, on the application of the company or a person interested in the matter, order that subsection (4) does not apply to the company." Subclause (7), which is proposed to be added, reads, "The Court may make the order on any terms and conditions that the Court thinks just and expedient." Subclause (8), which is proposed to be added, reads, "The Court must not make the order unless the Court is satisfied that — (a) the occurrence of the event mentioned in subclause (4)(b)(i), (ii) or (iii) was accidental; (b) it was due to inadvertence or to some other sufficient cause that the event occurred; or (c) it is just and equitable to grant the relief on other grounds.".

Chairman, although the provisions are long and wordy, they are well-intentioned because a company formed by several persons might not have a great impact on public interest. For instance, you and I might operate a joint venture in selling peanuts. As the business is faring quite well, a company is thus set up. Under subclause (4), which is proposed to be added, such private companies may be exempted or exempted by the Court from having the law imposed on them. I think that this approach is expedient. This is quite contrary to what I said when I persistently criticized the Government earlier for allowing the rich to be benefited and failing to take care of the ordinary masses. The Government seems to be listening to my words all of a sudden. This is why God has asked me to examine this provision.

Subclause (4), which is proposed to be added, reads, "Despite subsection (3), if ……". Subclause (3) reads, "Without limiting subsection (1), an annual return under section 653 must ……". Under paragraphs (a) and (b) of subclause (3), things can go wrong very easily. For instance, a small company might be doing a slack business in isolation in a way similar to the "weighted vote" mentioned by "Yuk-man" just now. When I was a child, my mother used to join chit-fund associations. If more than one person were successful, one could pay five dollars more in interest to become a successful bidder. If these small companies fail to comply with these requirements in the law, the Court will be requested under the provision to hear such cases rather than handing these companies to the executive authority, which will take as much as it likes. Hence, the Court is empowered by the provision to exempt some acts caused by inadvertence and companies not having an impact on the general public. This

approach is not only right, but also saves a lot of trouble. Honestly, are costs not required in instituting prosecutions? Companies being prosecuted also need to engage lawyers to defend them. Hence, I personally consider that, although subclause (4) is very long, it is expedient because the addition of this provision can prevent certain persons who are not well versed with the law from assuming that filling in the annual returns is an easy task and thus being taken to court for not knowing how to fill in the returns or doing it wrongly.

Hence, I should give Secretary Prof K C CHAN two stars for this — let me take a sip of water first — my speech used to be like this. Chairman, I am in favour of the amendments in this respect. Thank you, Chairman.

CHAIRMAN (in Cantonese): Does any other Member wish to speak?

MR WONG YUK-MAN (in Cantonese): Chairman, regarding clause 43, which I mentioned before dinner, I think its requirement for "the Registrar to make Companies Register available for public inspection" is not too clear. In particular, the conditions for inspection and the declaration of purposes can be confused easily. Hence, I pointed out in talking about the declaration of purposes that in accordance with section 18 of the Personal Data (Privacy) Ordinance, an individual has the right to inspect the Companies Register kept by the Companies Registry for his personal information. But why is this not mentioned in this provision? Hence, clause 43 is unable to give a comprehensive picture of the scope of inspection of the Companies Register by the public, thus once again proving that it is inappropriate to impose conditions for the sake of inspection. If the Government has to do so, it should spell out clearly in the provision that the inspection has legitimate purposes and what sort of registered information can be obtained for such legitimate purposes, so as to give us a clearer picture.

We have also noted that a Member asked during the Committee stage if the "specified officers" referred to in clause 43(1)(b) are identical to the persons referred to in clause 43(1)(a). In response to this query, the Government explained at a Bills Committee meeting that clause 43(1)(a) is only applicable to ascertain whether the member of the public is dealing with the persons specified therein. But notwithstanding clause 43(1)(a), it is prescribed in clause 43(1)(b)

that any member of the public may inspect the Companies Register to ascertain the particulars of a company, its directors or other officers, or its former directors, or the particulars of the mortgagee, provisional liquidator or liquidator of a company. The provision relating to "whether the member of the public is dealing with ……" in clause 43(1)(a) is not found in paragraph (b). I find this explanation not only reasonable but also acceptable.

Furthermore, we support in principle the proposed addition of the definition of company in the amendments, though I have some queries. Let me refer to Interpretation under clause 19(1) in Part 2 of the Companies Bill (the Bill). It reads, "company (公司) includes — (a) a non-Hong Kong company registered under section 765(1); or (b) a company that was, immediately before the commencement date of Part 16, registered in the register kept under section 333AA of the predecessor Ordinance". Members wishing to refer to the Interpretation may wish to read the relevant provisions on their own. What I mean is that the definition of "company" as provided in clause 19(1) has already defined "company" and made it clear that "company" is applicable to Part 2, whereas clause 43 belongs to Part 2. Furthermore, the definition of "company" as proposed to be added by the amendment is the same as the definition of "company" in clause 19. Hence, the definition of "company" in clause 43 will not be different even in the absence of the amendment. Hence, this amendment is somewhat redundant.

For the sake of clarification, this amendment is acceptable, for at least clarity can be improved slightly. However, the amendment is not absolutely necessary, for it will merely enhance clarity to facilitate reading by members of the public. Can the Secretary tell us what criteria are adopted to determine when additional clarification is required? If all provisions are re-defined again under this provision, the Part concerning interpretation will become redundant. Of course, one can say that clarity can thus be improved, but it is not essential to do so. However, given that this amendment, though unwarranted, has been made, we will certainly find a slight improvement in clarify by comparing the two. Insofar as this part is concerned, I think I have to stop here. This is clause 43, the clause I mentioned before dinner. Its title is "Registrar must make Companies Register available for public inspection".

Chairman, I would also like to say a few words about clauses 539 to 544 in Part 12 — Division 1 — Subdivision 2 in relation to the proposal and handling of

a written resolution. Clauses 539 to 544 in Part 12 — Division 1 — Subdivision 2 deal with matters concerning the proposal and handling of a written resolution, including "Power to propose written resolution" under clause 539, "Company's duty to circulate written resolution proposed by directors" under clause 540, "Members' power to request circulation of written resolution" under clause 541, "Company's duty to circulate written resolution proposed by members" under clause 542, "Circulation of written resolution" under clause 543, and "Application not to circulate accompanying statement" under clause 544. These are clauses 539 to 544. A number of amendments are also involved, including clauses 544, 547 and 549 — clause 547 is further down — we can note that in addition to clause 539, clauses 544, 542, 543, 543(5), 542(2), 539 and 541 are also subject to amendment. Let us discuss all this in detail later. This Part deals mainly with the proposal and handling of a written resolution.

Clause 539, which can be described as the core of Division 1, provides that a resolution may be proposed as a written resolution by the directors of a company or the members of a company. Clause 539(1)(b), however, merely provides that the members of a company representing not less than the requisite percentage of the total voting rights of all the members are entitled to vote on the resolution without prescribing the relevant percentage. Instead, it is spelt out in clause 539(2), which reads, "The requisite percentage mentioned in subsection (1)(b) is 2.5% or a lower percentage specified for this purpose in the company's articles." Here, only one category is mentioned, that is, 2.5%. Nevertheless, this way to deal with the percentage in separate subclauses is quite complicated. To avoid complicating the matter, the requirement prescribed in clause 539(2) should simply be accounted for in clause 539(1)(b).

As I mentioned just now, clause 539(2) also provides that "the requisite percentage mentioned in subsection (1)(b) is 2.5% or a lower percentage specified for this purpose in the company's articles". The provision to allow a lower percentage to be set in the company's articles is appropriate simply because small shareholders will then be given basic protection. A resolution may be proposed as a written resolution by not less than 2.5% of the shareholders of a company or a lower percentage of the shareholders as allowed by the company's articles. I consider it inappropriate for the Government to raise the percentage to 5% at the request of some Members. Instead, the percentage as originally proposed in the Bill should be maintained.

Furthermore, provisions are made in clauses 540 to 542 with regard to the two circumstances in clause 539. Clause 540 provides that "if the directors of a company have proposed a resolution as a written resolution, the company must circulate the resolution". Detailed provisions are made in clauses 541 to 542 regarding the request made by the members of a company for the circulation of a written resolution. Clause 541(1) requires that the relevant resolution must comply with two principles — first, the resolution may properly be moved; and second, the resolution is proposed as a written resolution under clause 539(1)(b).

Clause 541(1) has not defined what is regarded as a resolution that may properly be moved. What does it mean? This requirement is reminiscent of the straitjacket imposed by the Basic Law and the Rules of Procedure (RoP) on the tabling of private bills by Members. In addition to separate voting under Article 74 of the Basic Law, there were even suggestions that the RoP should be revised. As the Courts on the Mainland are operated by the Communist Party, they can make whatever judgments they like. In Hong Kong, the Legislative Council is run by the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB). Hence, the DAB can amend the RoP as they like — since the Legislative Council is run by the DAB. Chairman, please mark my words — the Courts on the Mainland are operated by the Communist Party. The Courts in Hong Kong will turn out to be like that sooner or later.

What does it mean by a resolution that may properly be moved? If no special restriction is imposed on the proposal of a resolution by the members of a company under this provision, then the provision that "the resolution may properly be moved" in clause 541(1) is unwarranted. It merely serves to provide that the members of a company have the right to propose a written resolution in clause 539(1). If the relevant requirement in clause 539 is not considered to be clear enough, why is it not put under clause 539(1)(b), as I mentioned earlier? I believe only the Secretary who is sitting here understands what I am talking about. This is why I have to cite other examples once in a while. I hope our Chairman, who is very smart, can comprehend this by analogy, or else all Members will all doze off. I certainly understand, buddy.

As clause 541 does not give any definition to "a resolution that may properly be moved", this provision is unwarranted. It merely provides that the members of a company as provided for in clause 539(1) have the power to

propose a written resolution. Nevertheless, does the Administration consider that clause 539 is not clear enough?

Clause 541(2) provides that "if the members request a company to circulate a resolution, they may request the company to circulate with the resolution a statement of not more than 1 000 words on the subject matter of the resolution". A similar request is, however, not made in the Bill regarding the resolution proposed by the directors of a company. We must consider whether it is necessary to restrict the number of words in the statement, because we do not have a clear idea of the contents of a written resolution proposed by the members yet. Hence, it might be inappropriate to restrict the number of words of the related statement to 1 000 words. Moreover, Chinese and English are different languages. There is already a huge difference between two statements written in 1 000 Chinese words and 1 000 English words respectively.

A requirement is also made in the Bill on the length of a resolution to remove a director. During our discussion on clause 454, it was mentioned that the director being removed might, during the removal procedures, "make representations in writing to the company (not exceeding a reasonable length)". It was also mentioned that the definition of "a reasonable length" was very ambiguous. However, if it is compared to the 1 000-word written restriction in clause 541(2), that is, the statement circulated with the written resolution *(The buzzer sounded)* ……

CHAIRMAN (in Cantonese): Does any other Member wish to speak?

MR ALBERT CHAN (in Cantonese): Chairman, I would like to focus on a certain part of the Bill. This is perhaps a very trivial part which does not carry much significance, yet it further shows the biased nature of the Bill. That part concerns clause 516 "Exception for small payment" under Part 11 of Division 3 of Subdivision 3.

The situation in relation to small payment is: A company makes a payment to a director or former director if the aggregate of the amount or value of the payment, and the amount or value of any other payment for loss of office made by the company or a subsidiary of the company to the director or former director

in connection with the same event, does not exceed $20,000. The ceiling originally proposed by the Government is $20,000, yet the sum has been revised to $100,000 in the Committee stage amendment. Chairman, this is a generous amendment which will raise the ceiling by five times, while there are many other clauses imposing various restrictions on the procedures and powers for employees to start a claim against directors. Regarding the payment to a director or former director, the ceiling proposed by the Government in the original Bill is $20,000. Nonetheless, after the Bills Committee had scrutinized the Bill, the Government then proposed to raise the ceiling by five times based on the advice of the Bills Committee. I wonder if the minimum wage can be increased by five times likewise. Chairman, notwithstanding of our teeth-bleeding calls for increasing the statutory minimum wage from $28 to $33, there is no response from the authorities so far.

Currently, our Bills Committee members fight for the rights of directors through legislation and the Companies Ordinance, under which the ceiling can be raised by five times at one go. Chairman, this amendment is unprecedented. Over the years, I have scrutinized numerous bills in my capacity as a Legislative Council Member, yet I still find the current increase unusually and surprisingly high. The percentage of increase from $20,000 to $100,000 is shockingly high. Moreover, Chairman, the clause only refers to small payment. Of course, the Government can explain that the increase was proposed by Bills Committee members and had been scrutinized by the Legislative Council, and the authorities respect the views of Members. However, on the minimum wage issue, apparently the Government respects the views of employers more than that of the labour sector and the grassroots.

Hence, I fully oppose to this clause with all my strength. Despite of our likelihood of losing when the clause is put to vote, I only wish to put this down in record, for I believe we should indicate how unusual is this clause. In the last few days, while scrutinizing the Bill clause by clause, I kept pointing out how various clauses are tilting towards giant consortia and entrepreneurs. The clause right before us is exactly an evidence that is a hundred percent clear — the amendment of this clause and the Government's latest proposal show that the Bill intends to further benefit the rich and the directors.

Moreover, Chairman, what is referred to as "small payment" in the Bill should be consistent with general understanding. I believe Members are aware

that the Small Claims Tribunal only deals with claims not exceeding $50,000. Even if the authorities intend to raise the ceiling stipulated under the clause, after all, it should be consistent with the public's general understanding for small payment. In other words, if someone borrows money from you, the claim that you can pursue at the Small Claims Tribunal must not exceed $50,000. Not long ago, a complainant approached me for assistance with respect to defaulted payment of fees totalled $80,000 after his provision of furnishing works. For this case, it will be difficult to pursue a claim at the Small Claims Tribunal.

Nonetheless, the ceiling for the payment to directors stipulated by the Government can be substantially raised by five times. The level of such ceiling also doubles the ceiling for small claims handled by the Small Claims Tribunal. This shows the Government's values and philosophy, which is that it can offer as much as it can to benefit employers but it will not be equally lenient to the poor and in other aspects. This amendment not only concerns Clause 516(1), it is also applicable to clauses 516(2) and 516(3). clause 516(2) states that "A company …… making a payment to a director or former director in connection with a transfer of any undertaking or property of, or shares in, the company or a subsidiary of the company", which means both the current status and transfer are covered. As for clause 516(3), it states that "A subsidiary of a company …… making a payment to a director or former director in connection with a transfer of any undertaking or property of, or shares in, the company or a subsidiary of the company". These two subclauses also stipulate that the total payment does not exceed $100,000.

In my view, this series of adjustments should be put down in record. If these provisions are studied all together, one can actually draft a piece of authoritative commentary with the conclusion that the Company Ordinance is intended for those in power. Basically, the Government further reinforces the interests of the powerful through the provisions of the Bill. Moreover, it manages to transfer more benefits to the powerful through the Bill.

CHAIRMAN (in Cantonese): Does any other Member wish to speak?

MR LEUNG KWOK-HUNG (in Cantonese): Chairman, I now discuss the clauses in order. We are now discussing Part 13 Division 1, which is set out in

page C1313 of the Companies Bill. The heading for Part 13 is "Arrangements, Amalgamation, and Compulsory Share Acquisition in Takeover and Share Buy-Back". These clauses are of course very important for a company and they are about the movement of property assets and how to make arrangements for amalgamation, acquisition or compulsory purchase of shares and so on. All these are matters which will make people tremble with fear upon the mere mentioning of them for the reason that they involve huge sums of money.

This Part begins with a section on Interpretation. In the Companies Bill introduced by the Government, the section on Interpretation is originally very simple, that is: "In this Part — offer period (要約期), in relation to an offer, means the period within which the offer can be accepted." It is as simple as that. This is the only sentence on offer period. But as we can see afterwards, in the amendment proposed by the Government, the interpretation for other terms is added under clause 657. Why? This could be a modernized way of drafting and the interpretation of various terms is given at the beginning so that the subsequent text may be clearer in meaning and cases of no interruption in lengthy texts will not appear.

What are the contents added under the amendment to the Interpretation clause? They are: "In this Part — child (子女) includes a step-child, an illegitimate child and a child adopted in any manner recognized by the law of Hong Kong." That is to say, three kinds of people can be called "child". These are not the three kinds of people known during the Cultural Revolution. They are the three kinds of people who can be called "child". Basically, these three kinds can cover all kinds of relevant situations. In particular, after the right of abode incident, these stipulations are clear enough and these people are "child" as stipulated.

As for "cohabitation relationship", the clause stipulates that it "means a relationship between two persons (whether of the same sex or of the opposite sex) who live together as a couple in an intimate relationship." This clause is a step forward because in matters as important as the conveyance of property, even for persons of the same sex, their cohabitation relationship is recognized. As for "repurchasing company", it means that "in relation to a general offer, means the listed company that makes the offer", which refers to the company which makes the request. I have talked about the part on "offer period" and the amendment puts this item at the very end.

Chairman, in view of the above, the amendment made proposes to delete subparagraphs (ii), (iii) and (iv) under clause 658(1)(a) and to be substituted with the new subparagraphs: "(ii) a person who is in a cohabitation relationship with the offeror or member; (iii) a child of the offeror or member; (iv) a child of a person falling within subparagraph (ii) who — (A) is not a child of the offeror or member; (B) lives with the offeror or member; and (C) has not attained the age of 18." This is in effect copying once again the part deleted and to explain in the Interpretation part above. This is a good thing because it enables us to understand better.

I want to talk about subclause (1A), which is added under clause 658. Clause 658 deletes subparagraphs (ii), (iii) and (iv) and substitutes them with the new subparagraphs (ii), (iii) and (iv). In the original subclause (iv), items (A) and (B) are merged into the new clause. This is what we can see. And the amendment also adds the new subclause (1A). What are the contents of subclause (1A)? They are: "In this Part, a reference to an associate of a repurchasing company is a reference to — (a) a body corporate in the same group of companies as the repurchasing company; (b) a body corporate in which the repurchasing company is substantially interested; or (c) a person who is a party, or a nominee of a party, to an acquisition agreement with the repurchasing company.".

It is simple enough to see that all these boil down to people who belong to the same group. The definition for a "repurchasing company" is: "in relation to a general offer, means the listed company that makes the offer". First of all, this is the body corporate in the same group of companies as the repurchasing company. Second, this is a body corporate in which the repurchasing company is substantially interested. Third, there is a slight difference here in that it can also be "a person who is a party, or a nominee of a party, to an acquisition agreement with the repurchasing company". In other words, this means any party. It is because three parties could be involved and so it is set out in the clause that only one party to that agreement will suffice.

What is the meaning of making this definition? The mysterious thing about it is that subclause (2) is deleted in clause 658, and what is it substituted with? "For the purpose of subsections (1) and (1A), an offeror, member or repurchasing company is substantially interested in a body corporate if — " That explains what is meant by "substantially interested in". "(a) if the body

corporate, or its directors or a majority of its directors, are accustomed to act in accordance with the directions or instructions or the offeror, member or repurchasing company; or (b) the offeror, member or repurchasing company is entitled to exercise, or control the exercise of, more than 30% of the voting power at any general meeting of the body corporate". That is to say, what is meant by "substantially interested in" refers to these two situations.

Actually, these amendments from the Government are just copying. I do not know why the Government is so fond of deleting a whole paragraph and then copying it again. At times my eyes would get blurred when reading this kind of clauses. It is reasonable for the Government not to propose any amendment to these two situations. If the situations described in (a) and (b) appear, it is hard to say that substantial interest is not involved. It says a 30% voting power here or: "the body corporate, or its directors or a majority of its directors, are accustomed to act in accordance with the directions or instructions of the offeror, member or repurchasing company". That is to say, these people have the right to ask it to act accordance to their instructions. This body corporate is obviously controlled by the repurchasing company, right? Of course, there is substantial interest involved. This is like the arm controlling the fingers. This definition is therefore clear enough.

But what is the problem here? It is in subclause (2A). This subclause comes out of nothing. That is to say, it was not found in the Bill originally. What is it about? Subclause (2A) provides, "In subsection (2), a reference to voting power the exercise of which is controlled by an offeror, member or repurchasing company includes voting power the exercise of which is controlled by another body corporate if the offeror, member or repurchasing company is entitled to exercise, or control the exercise of, more than 50% of the voting power at any general meeting of that other body corporate." This subclause is apparently very clumsy. In the Chinese version of the text, mention is first made of the expression to the effect of "including the relevant situations", then it is only after one sentence that there is an expression "these relevant situations refer to". The mind of the readers will get muddled when reading sentences of this kind. This explains why many people are so afraid of law. Actually, this means anyone who can exercise more than 50% of the voting power or is entitled to control more than 50% of the voting power in a general meeting of the members of another body corporate — well, buddy, do we have to write the law in this way?

Subclause (2A) is in fact related to what comes after it: "(3) For the purposes of subsection (1), an agreement is an acquisition agreement if — (a) it is an agreement for the acquisition of — (i) any of the shares to which the takeover offer or general offer relates; or (ii) an interest in those shares; and (b) it includes provisions imposing obligations or restrictions on any of the parties to it with respect to the use, retention or disposal of the party's interests in the shares acquired pursuant to the agreement." This is what it is about.

Why should this requirement about 50% of the voting power be added? My view is that if a body corporate is controlled by another body corporate, that is the offeror, member or repurchasing company, the person making the repurchase in any general meeting of another body corporate, regardless of the form of the meeting concerned, can have a voting right of 50% or more than 50%. Then what else should be done? That is another case of things being settled before a meeting is held. So there is a purpose when the Government adds in this subclause. It is because subclause (b) stipulated that "the offeror, member or repurchasing company is entitled to exercise, or control the exercise of, more than 30% of the voting power at any general meeting of the body corporate." And this requirement cannot meet the legislative intent that substantial interest should be required.

Overall speaking, I think that these clauses can provide some kind of protection to prevent repurchasing companies from playing on tricks. So I think the addition of subclause (2A) is right. Thank you, Chairman.

CHAIRMAN (in Cantonese): Does any other Member wish to speak?

MR WONG YUK-MAN (in Cantonese): Can you not stand it? So soon and you cannot stand it longer? It will be a long night.

I was just talking about clause 541(2), which stipulates that "If the members request a company to circulate a resolution, they may request the company to circulate with the resolution a statement of not more than 1 000 words on the subject matter of the resolution." I was saying that since the Bill does not stipulate the same requirement on the proposal of resolution by the directors, we think that the restriction on the number of words is not necessary.

If the number of words of the statement concerned is being restricted to within 1 000 words, it may also be inappropriate. As I have said earlier, when a Chinese statement and an English statement are both 1 000 words, they may already have great discrepancies in terms of the content. The Bill poses a requirement on the length of the resolution on the removal of a director. Clause 454 proposes the requirement of "a reasonable length". The definition of "a reasonable length" is very obscure, but is still better than the restriction of 1 000 words as stated in clause 541(2).

In terms of Chinese language, if you choose a topic randomly for a secondary school student, he can write a thousand or a few hundred words on it easily, not to mention a statement to the resolution for circulation of all members of a company. To some large-scale companies, the statement may be on a business arrangement involving billions or tens of billion dollars. Under the circumstances, if the number of words of the statement to the resolution is being restricted to within 1 000 words, it may affect the interests of the company and affect the judgment of directors. In fact, the Government understands that the Bill has some problems, and hence the Government's amendment has made slight improvement on the statement to resolution for members.

The amendment to clause 541(2) deletes the requirement on the number of statement to the resolution. The members concerned can request circulation of more than one statement to the resolution. The amendment also proposes to add subclause (3), which stipulates that "However, each member may only request the company to circulate one such statement with respect to the resolution." Nonetheless, the ceiling of 1 000 words still exists. In regard to the provisions of the amendment, my understanding is that each member can request circulation of one such statement, while the ceiling on the number of words of each statement is 1 000 words. Despite my understanding to this amendment, this arrangement cannot redress the inappropriate areas on the length restriction that I mentioned earlier. We cannot presume that the members concerned will co-operate and make use of a number of statements of individual lengths to form a complete statement to the resolution. I have discussed clause 454 and Mr Albert CHAN has also discussed it. We discussed this clause from different angles and the arguments are the same.

Another problem with the amendment is related to the Chinese wording. Clause 454 uses "有關成員 (a member)" to refer to the member who proposes

on the written resolution, while clause 541(3) uses "每名成員 (each member)". Does "每名成員 (each member)" mean every member concerned or each and every member of the company? Clause 454 uses "有關成員 (a member)", and we are discussing clause 541 which uses "每名成員 (each member)". I thus ask whether "每名成員 (each member)" refers to each member concerned or each and every member of the company?

Deduced by common sense, "每名成員 (each member)" should refer to each member concerned. However, it can also be interpreted as "each and every member". It is because the members of the company who are against the written resolution may also want to air their views on the resolution and request the company to circulate an opposition statement. Hence, not only has the Government's amendment failed to completely solve the length restriction problem that I mentioned earlier, it has also brought new problems to this Ordinance. Similar to my criticism on clause 541(1), the problem with clauses 542(1) and (2) is that they have repeated the principles of previous provisions. Therefore, only if slight changes on the wording of clauses 539 and 541 can be made, clauses 542(1) and (2) can be spared. It can simply be written as: A company must circulate such resolution and statement. That will do, and there is no need to be so clumsy.

In regard to the Companies Ordinance, after such lengthy discussion, I have a feeling. The Rules of Procedure provide that we cannot persist in tedious repetition of the arguments in the debate. However, the provisions concerned are tedious. When I criticize these tedious provisions, I am also very tedious. Nonetheless, the Chairman does not direct me to discontinue my speech with the reason of "tedious repetition", as the provisions are really too tedious and difficult to understand. Unless my power of expression is very strong so that after digesting the meaning of the provisions concerned, I can use some rather simple and non-tedious words to explain these tedious provisions, otherwise the listeners will find it very annoying. Neither does the speaker, who keeps on talking about the provisions, know what he is talking about. This really is hard work. Therefore, ordinary people cannot take the positions of Legislative Council Members. More and more, I find that we are not competent enough to be Legislative Council Members. In the course of filibustering, I have a classic saying, Chairman — "It is only when filibustering that I know my knowledge is very limited."

I have another feeling towards clause 542(3). That clause is very simple. But at the same time, it is also difficult to understand. Clause 542(3) is not tedious, which stipulates that "A request — (a) may be sent to the company in hard copy form or in electronic form; (b) must identify the resolution and any statement mentioned in section 541(2); and (c) must be authenticated by the person or persons making it." Since the subject is not indicated in clause 542(3), people will be confused in understanding the word "request". In the provision "must be authenticated by the person or persons making it" — the word "request" can form various parts of speech. Chairman, it can be a verb, and can be a noun. Look at paragraph (a), we will think that "request" is a noun. The provision should be interpreted as: The members have put forward a request to the company for circulating such resolution and statement, and it may be sent to the company in hard copy form or in electronic form.

Therefore, the mode of drafting clause 542(3) should be changed. Although the provision is very simple, it is also difficult to comprehend. Clause 542(3)(a) allows members to send the request to the company in hard copy form or in electronic form. We support using electronic form as a means of transmission. One other provision also prescribes the same means. Hence, this part is very simple and is also feasible. But there are some problems in the way it is written.

All right, next Member.

MR ALBERT CHAN (in Cantonese): Chairman, we are making shorter and shorter speeches. Just now "Yuk-man" thought that he was not qualified to deliberate on the law concerned. In fact, I would think that the person most qualified in this should be Dr Margaret NG. But it is a pity that she will be leaving us. I am very sorry about that. "Long Hair" feels not only sorry but also sad about it.

Chairman, clause 529 of the Bill is on declaration to directors. I find that the clause has got two problems. First, the requirement for declaration is ambiguous. Second, the penalty for not declaring is only a fine. I would think that this is also a problem. Basically, this clause is about what is already stated clearly in clause 527 "Director must declare material interests", in turn under Part 11 Division 5 on "Material Interests in Transaction, Arrangement or Contract".

Subclause (1) of clause 527 provides, "If a director of a company is in any way, directly or indirectly, interested in a transaction, arrangement or contract, or a proposed transaction, arrangement or contract, with the company that is significant in relation to the company's business, and the director's interest is material, the director must declare the nature and extent of the director's interest to the other directors in accordance with sections 528, 529 and 530." This clause is very appropriate because it states that a director must declare the nature and extent of his interest to other directors. However, the clause stipulates that only "significant" and "material" interest should be declared. I would think that this is too lenient. In fact, anything which is related to interest should be declared. This is because even if a declaration is made, it does not mean that the person making the declaration will be put under any restriction. For example, in this Council, if some Members belong to a certain committee, they should make a declaration. Or if a Member is a director of a construction company, even if that company has not yet made any bid in a tender exercise, the Member should make a declaration. The only very unfortunate example we have is, as we all know, that Mr Abraham SHEK is a director of the Mass Transit Railway Corporation Limited, but on one or two occasions he did not make a declaration because he thought that the information was something every Member would know. Then a complaint was filed against him. Therefore, there is no need to state in the clauses that a person should make a declaration only when some significant or material interest is involved in some contract or business. A declaration of interest is necessary when a director is directly or indirectly interested. This mechanism is appropriate. Members will also find that the clause is too lenient. This is because disputes may arise as to how significant or material interest can be proved. Therefore, whenever interest is involved, the person concerned should make a declaration. In some works projects, the scale may be very small but the interest concerned may affect the voting results. This is like what has happened to our present Chief Executive who pretends to have forgotten or not knowing anything regarding the West Kowloon project. When requirements on material and significant interest are added to the clauses, a person who is asked why he has not made a declaration may have more excuses available to shirk his responsibility.

Clauses 528 and 529 are on the timing and procedures of making a declaration. But they are a bit unclear as to the question of when and under what circumstances should a declaration be made. An example is that a declaration should be made on certain matters in a meeting of the directors, but

there are other matters that may be declared by way of a written notice. But as Members know, the time taken before a contract is entered into or a transaction is completed may be very long. Therefore, a declaration of interest should be made at the initial stage. It follows that it should be stipulated in the clauses that a declaration should be made at once if certain conditions are known. Or in the case of a company which is involved in a certain contract from the outset, a declaration should be made. However, nothing in the clauses requires that a declaration should be made at what part of the process or when to do so. For example, when discussion is made in the Council, a Member should make a declaration if he is involved in any item of the agenda. Besides, irrespective of Members of the Legislative Council or the Executive Council, with respect to declaring personal information, they should list other relevant information. In the business sector, the interests involved can be more covert. For example, when a company controls another company, countless interests may be involved. Some persons may own shares and other persons may own some interests. Or when a company controls a certain percentage of the shares of another company, they are a subsidiary company and a holding company. At times the names of two companies may look totally unrelated, but it turns out that one company controls the other company by way of controlling interest. So, with respect to the declaration of interest in the business sector, I would think that the more accurate and earlier a declaration is made, the better it will be to all the parties concerned. It is unfortunate that although the clause has set out the basic terms, it can be found on a closer look that the relevant regulation is not only lenient but also ambiguous.

A good proof of this is the penalty which I have mentioned. When these predators or unscrupulous businessmen run into some problem, the penalty which the Government imposes on them is very light. In clause 532 of the Bill which is about offences, it is provided that a director or shadow director who contravenes the requirement to declare interest commits an offence. But the penalty to be meted out is only a fine at level 6. Chairman, it is only a fine. What these people have done involves significant and material interest and they have not made any declaration, but they can get away with it by paying a fine only. If my memory does not fail me, a fine at level 6 is only $100,000. Chairman, what we are talking about could be contracts and transactions worth tens of million dollars or hundreds of million dollars. Just think, how much was the interest involved when the PCCW acquired Hong Kong Telecom?

CHAIRMAN (in Cantonese): Mr CHAN, I have to remind you that about the clauses which you have mentioned, since the Administration has not proposed any amendments to them, they have been dealt with in the debate in the last session. Of course, I know that you did not mention these clauses when you spoke at that time, but you should try to speak on this group of clauses now.

MR ALBERT CHAN (in Cantonese): Clause 530? Chairman, let me take a look first. Some clauses which are interrelated are involved here ……

CHAIRMAN (in Cantonese): I see.

MR ALBERT CHAN (in Cantonese): Right, we have discussed clause 532 of the Bill in the last session. This clause is related to the previous clauses. I will try to be brief and I will not comment on them. Since these clauses are interrelated, I would just want to point out the relationship among them. In fact, on the question of fines, I have mentioned on some other occasions and I would just want to point out that the penalty lacks deterrent effect. As I have pointed out in the entire debate and as evidenced in the line of thinking and theme of my speeches, this Bill imposes very light penalties on those with power. Chairman, I just want to ask that this point be put down in the records once again. Thank you.

CHAIRMAN (in Cantonese): Does any other Member wish to speak?

MR LEUNG KWOK-HUNG (in Cantonese): I wish to talk about clause 664 on "Court may sanction arrangement or compromise". When I spoke last time, I talked about the Court of First Instance …… sorry, when talking about other provisions just now, I also mentioned the Court of First Instance and this provision is about what the Court of First Instance can do.

Simply put, clause 664 is a major operation that deletes subclause (2). The original subclause (2) corresponds with subclause (1), which is not deleted. The new clause 664A is a "Provision supplementary to section 664(1): agreement

to arrangement or compromise". It specifies the circumstances in which compromise and arrangement can be made, that is, one cannot tell others to make any arrangement or compromise casually. The Court should have its own criteria and it cannot simply ask the two lawyers sitting on the two sides for advice, like the paternal mandarins in old Cantonese films or the Justices of the Peace hearing cases in the United Kingdom in the past.

Clause 664(1) states, "This section applies if the creditors or the class of creditors, or the members or the class of members, or both, with whom the arrangement or compromise is proposed to be entered into, agree or agrees to the arrangement or compromise.". In other words, it is necessary to have the consent of the people concerned. The provision added after the operation is about what is meant by an arrangement and consent.

In the provision which stipulates, "For the purposes of section 664(1) — the creditors agree to the arrangement or compromise if,", "if" refers to a meeting of the creditors summoned in accordance with clause 661. The meeting of the creditors summoned in accordance with clause 661 is a meeting summoned on the order of the Court of First Instance. It says, "The meeting is — (a) if the arrangement or compromise is proposed to be entered into — (i) with the creditors of the company, a meeting of those creditors; or (ii) with a class of the creditors of the company, a meeting of that class of creditors.".

According to clause 661, how can wishes be ascertained after a meeting is summoned on the order of the Court of First Instance? This situation is like wanting to overthrow …… like driving me out and the agreement of two thirds of Members is required. One cannot do so arbitrarily and here, the requirement is three quarters. I believe that it is appropriate for the Court of First Instance to order that a meeting be summoned. Paragraph (a) provides that "a majority in number representing at least 75% in value of the creditors …… agree to the arrangement or compromise", that is, a majority of 75% of the creditors agree with the arrangement. It is difficult to read this out smoothly: "representing at least 75% in value of the creditors", that is, three quarters. A majority of creditors have to agree to the arrangement. "A majority in number representing at least 75% in value of the creditors" means that it would not do to have the agreement of only half of the creditors because it is possible that half of the creditors may represent only 2% of the value.

Having a lot of people may not necessarily enhance efficiency. For example, when we conduct our electoral campaigns, going to a residential area consisting of luxury properties to conduct our activities is the most stupid thing to do because there may just be three people in a luxury property and one of them is a foreign domestic helper. It is pointless to conduct our campaign there. Of course, I would conduct my campaign in public housing estates because I live in one and I know that there are many residents in a public housing block. Therefore, there are two requirements in clause 664A(1)(a), one being that the value is equivalent to at least 75%, and the other being that a majority is secured. This is the requirement of paragraph (a), and paragraph (b) only substitutes "the creditors" with "a class of creditors", so this is meaningless. Paragraph (c) states that "subject to subsection (2)(a), the members agree to the arrangement or compromise if, ……".

What does subclause (2)(a) say? It says, "However, where the arrangement involves a general offer within the meaning of section 696 or a takeover offer — (a) the members agree to the arrangement if — ", so this also refers to a meeting summoned in accordance with clause 661. However, clause 664A(1)(a) is different from 664A(1)(b). It says, "members representing at least 75% of the voting rights of the class of members present and voting …… agree to the arrangement or compromise", so it does not require a majority in number representing at least 75% in value of the creditors and only the number of people matters. This is an exception.

In subclause (2) …… I am really confused …… subparagraph (ii), it is stated that "the votes cast against the arrangement at the meeting do not exceed 10% of the total voting rights attached to all disinterested shares of the class in the company.". In other words, you can raise your objections as you like. What is called "disinterested shares" is explained earlier in chapter 2. Frankly speaking, if anyone can make any sense of this piece of legislation, I really have to praise him for being so fabulous.

Chairman, if I talk about "disinterested shares", you may ask why I should talk about them, since no amendments have been made in this regard. This point is related to chapter 2. I am not going to talk about what "disinterested shares" are. What is meant by not exceeding 10% of the total voting rights is that if 75% of the people at the meeting gave their support to a resolution, another condition is that there must not be more than 10% of voting rights attached to

disinterested shares voting against it. There are two conditions in all. Who else are involved? Chairman, it is possible that they would not vote and have no disinterested shares, so they do not count. Therefore, the situation is highly changeable.

Paragraph (b) reads, "a class of members agrees to the arrangement if —". There is actually no difference between a class of members and members, only that there are two types of people, one being "a class of members" and the other being "members". I am not going to explain the difference between the two any more because I am not very clear about this either. This is really too complicated. If such a situation arises, what I talked about earlier on may not happen, that is, it is possible that the Court of First Instance does not have to make the relevant order.

I really do not know where I have come to because this is really too complicated. Chairman …… I am now talking about "Court may order meeting of creditors or members to be summoned", that is, clause 664 — I have talked about clauses 661 to 664 and the exception in subclause (1). In sum …… "disinterested shares" …… I just cannot get this straight now. In general, concerning the arrangement approved by the Court of First Instance, I think the requirement of 75% is reasonable but not the "proviso" mentioned by me just now, that is, another way of definition. Apparently, it is very difficult to meet both requirements.

What do "disinterested shares" mean? First, according to the definition and interpretation under subclause (3) cited by me just now, "disinterested shares" means "(a) in the case of a takeover offer, shares in the company other than those held —" — this is really awful! Shares other than those in the case of a takeover offer include those held "by the offeror, or by a nominee on behalf of the offeror". Second, shares held "by an associate of the offeror (except a person who falls within ……". What does this mean? Apart from those shares, shares held by the offeror or by an associate of the offeror are not considered "disinterested shares". This is written in such a longwinded way and numerous examples are given. Shares held by the offeror or by an associate of the offeror are not considered "disinterested shares", that is, there is really no interest at stake because those people would not benefit the offeror with the shares held by them for no good reason.

Chairman, this is really a world full of bizarre occurrences. Some people may all of a sudden discuss with minority shareholders and offer to buy those "disinterested shares", and they only want 10% of them. For example, "Fung-ying" may have bought the shares of a company in preparation for her retirement, then someone approaches her to seek her assistance, saying that he only needs 10% of the shares. As the saying goes, while the priest climbs a post, the devil climbs ten, so this requirement is also reasonable because the costs for the offeror and an associate of an offeror would increase drastically. To reach this threshold, it is necessary to have 75% of supporting votes and not less than 10% of people voicing their opposition, so it is really a high threshold.

After the major operation carried out on this issue, even if the Court of First Instance requests that a meeting be summoned in accordance with the law, protection can still be afforded to such a meeting. The Court orders that a meeting be summoned and also imposes restrictions on how the meeting should be conducted, and in what circumstances a resolution is valid and in what circumstances it is not. The Court of First Instance can order that a meeting be summoned according to the legislation. Although there is the freedom of gathering and freedom to call a meeting, if the Court orders that a meeting be summoned, there is no choice but to do so. Not doing so would make one lose one's legal rights. On this point, it is necessary to meet the three-quarter requirement and that of no less than 10% of people voicing their opposition before an arrangement or compromise is considered appropriate. Thank you, Chairman.

CHAIRMAN (in Cantonese): The Clerk has reminded me that the Secretary would move the new clause 665A only later on. Therefore, according to the script, we should discuss clauses 661, 664 and 664A, which are related to clause 665A and mentioned by Mr LEUNG just now, only at a later stage. However, Mr LEUNG, I believe the Secretary has heard the views voiced by you just now, so there is no need for you to repeat them later on.

Does any other Member wish to speak?

MR WONG YUK-MAN (in Cantonese): Just now, I discussed clauses 539 to 544 in Subdivision 2 of Division 1 of Part 12. I have talked about clauses 541, 542 and 539 and now, I will go on to clause 543.

Clause 543(1) stipulates that the company concerned "…… must send at its own expense to every eligible member and every other member (if any) who is not an eligible member — (a) a copy of the resolution; and (b) if so required under section 541(2), a copy of a statement mentioned in that section.". The relevant amendment adds subclause (4A) to clause 543. In addition, paragraph (b) is deleted from clause 543(5) and replaced by other provisions.

Clause 543(2) lays down requirements on the company to send to every eligible member copies of the resolution and the statement. This provision reads, "The company may comply with subsection (1) — (a) by sending copies at the same time (so far as reasonably practicable) to all members in hard copy form or in electronic form or by making the copies available on a website; (b) if it is possible to do so without undue delay, by sending the same copy to each member in turn (or different copies to each of a number of members in turn); or (c) by sending copies to some members in accordance with paragraph (a) and sending a copy or copies to other members in accordance with paragraph (b).".

Subclause (2) sets out the three alternative requirements, that is, the company concerned only need to fulfil one of them in order to meet the requirement in subclause (1). However, the extents of these three requirements are different. In actual operation, this would enable the company concerned to choose the option requiring less effort. In that case, the relevant requirement would not serve their original purpose.

Let us look back at the phrase "so far as reasonably practicable" prescribed in paragraph (a). Since there are two other options that can fulfil the same requirement more easily, this reference to "so far as reasonably practicable" is not very meaningful. In considering what is reasonable, naturally, other possible options would also be considered. Given this additional requirement, more convenient methods would be sought. Therefore, such a reference is not very meaningful.

As regards paragraph (b), which reads "if it is possible to do so without undue delay", it is not specified in this provision what "undue delay" means.

Obviously, if the company concerned sends the same copy to each member in turn or different copies to a number of members, members lower down the list would be able to look at the copy only at a later time. Therefore, the provision must explain what "undue delay" means. In addition, a relation is not even established between the "undue delay" mentioned in paragraph (b) and the time limit of 21 days under clause 543(3) in any way.

Moreover, the threshold in paragraph (b) is very low. The provision only requires that "it is possible to do so without undue delay" and even though such a possibility exists, paragraph (b) does not state that the practice of sending the same copy to each member in turn would indeed result in "undue delay". Clause 543(7) even stipulates, "The validity of the resolution, if passed, is not affected by a contravention of subsection (1), (3) or (5).". In that case, it looks as though paragraph (b) were non-existent. In other words, the requirement of "sending the same copy to each member in turn" is just pointless.

The provision under paragraph (c) would arouse some resentment. Why? Because this provision puts in place different arrangements for members. Why can some members have one more copy but other members can only circulate a copy in turn? What actually is the ground that allows the company to accord differential treatment to different members under this provision of the Bill? Should the Government not give an explanation?

As regards clause 543(6), it makes the violation of subclauses (1), (3) and (5) an offence that is liable to a fine at level 5. In other words, each company and responsible person is considered to have committed an offence and is liable to a fine at level 5. However, subclause (7) specifies that the resolution passed is not affected.

Let us go back to clause 454. Earlier on, I said that this kind of reference can also be found in this provision. The amendment proposes the addition of subclause (7), so that even though the requirement on special notice under clause 552(1) has been complied with, the resolution to remove a director passed at a general meeting will still be considered invalid. This principle is also applicable to clause 543, so this principle can be included in this provision. In other words, the requirement in the amendment to clause 454 can be included in clause 543. If this principle is introduced, the controversy would not be so great when the relevant legislation is reviewed.

The provision of "application not to circulate accompanying statement" in clause 544 is basically completely identical to that on the removal of a director in clause 454(5). The amendment proposed by the Government is also similar to that for clause 454(5). Concerning the amendment to clause 454, I have already talked about it in detail, so I am not going to repeat it, otherwise, if the Chairman cannot get it …… the provision on application not to circulate accompanying statement under clause 454 is basically completely identical to that on the removal of a director under clause 454(5) and the relevant amendments are also more or less the same. For this reason, I am not going to discuss clause 454 again. It is only necessary to put the other provision in its place. Chairman, this is the problem relating to the circulation of documents.

In addition, what I also want to talk about is clause 563 in Subdivision 5 of Division 1 of Part 12. I am more interested in this provision relating to websites. This provision is about "publication of notice of general meeting on website". A notice cannot be equated with notification, so first, we have to know the distinction between the two. In recent years, there are risks associated with many large-scale or medium-scale websites. Recently, one of the subject matters discussed by the Panel on Information Technology and Broadcasting at its last regular meeting in this Legislative Council was information security.

The SAR Government attaches great importance to information security. Unfortunately, since various Panel members had to attend several meetings yesterday, there was hardly enough of them to form a quorum. So long as four Panel members, including the Chairman, are present, these Panels can hold a meeting. Consequently, in the discussion on information security, only one member well-versed in information technology, that is, Dr Samson TAM, asked questions. I am the Chairman, while other Panel members could not quite understand the issue. When it comes to information security, some large organizations and large companies have adequate means, be it in the software or the hardware, to guard against what is called hackers and deceptions, but the knowledge of Hong Kong people in general about the information security of such websites or the issue of hackers is very shallow, is it not? Sometimes, young users do not even know what kind of conduct constitutes an offence and what does not. Therefore, there is still a great deal that the SAR Government can do. However, on information security, we do not have enough confidence in the SAR Government. Instead, private organizations have great financial means

as well as many professional and technical staff members to help solve these problems.

Why do I talk about the issue of information security, Chairman? What the SAR Government is doing at present, be it in the hardware or software …… today, in respect of communication technology or information technology in Hong Kong or the Technology and Communications Bureau to be established, they have all remained at the stage of application and basically, there is no invention. So long as we make use of other people's products, there will be many problems. For example, at present, it is necessary for law-enforcement agencies, the Independent Commission Against Corruption or information security systems to go through lengthy fund application procedures but by the time funding allocations have been secured, new technology has already emerged, is that not so? For this reason, in talking about the issue of "publication of notice of general meeting on website" under clause 563, I want to raise in particular the problem of information security. For many websites, there is the likelihood of being hacked or sabotaged. For example, at present, such instances occur on our website frequently. Some people come up with the "conspiracy theory", thinking that they are very important and that their email accounts are frequently hacked. In fact, this is not so and this is just a matter of instability of the servers or networks. Many people are ignorant in this regard, so there is really nothing that can be done.

Therefore, in publishing the notice of a general meeting on a website, a situation may occur, that is, there is no way to ensure that members can see it, is there? Since the legislation requires that the notice must be available on the website throughout the specified period, in the event that members really cannot see it, what should be done? Members all know that in the past, it was provided that listed companies had to publish their notices in a couple of specified newspapers and this was the major source of revenue from advertisement for these newspapers. Subsequently, this changed and now, publishing notices on websites is permitted. In this way, companies can save a little bit of money. Initially, it was necessary to publish such notices in specified newspapers, so companies had to bear the cost of advertisement, did they not? Clause 563 stipulates that the notice must be available on the website throughout the specified period but it does not specify the counter measures in the event of unforeseen events, such as the hacking of websites or the malfunctioning of servers.

If a company publishes the notice of a general meeting on its website but subsequently, there are problems with the website resulting in the deletion of the notice on general meeting, clause 563(3) of the Company Bill would be violated, would it not? Therefore, I propose that in this regard, a clause countering this situation be added to clause 563(3). For example, it can be specified that if the company can show that for some unavoidable causes, the notice cannot be made available on the website throughout the specified period, the company can be exempted from subclause (3), can it not? It is possible to do so.

Second, clause 563(2)(c) specifies that when the company notifies a member of the availability of a notice on the website, the notice must …… if it is an annual general meeting, it should be stated that the general meeting is an annual general meeting. This provision does not specify that if the meeting is not an annual general meeting *(The buzzer sounded)* ……

CHAIRMAN (in Cantonese): Does any other Member wish to speak?

MR ALBERT CHAN (in Cantonese): Chairman, I would like to talk about clause 534 "Right of member to inspect and request copy" briefly. Chairman, among the 400-odd amendments proposed by the Government, the amendment in relation to this clause has greater significance. The original clause is almost completely deleted and substituted with subclauses (1), (2) and (3). These amendments proposed by the Government aim at streamlining the relevant provisions, since clause 648 has already stipulated the regulations for members to inspect copy of company records that a company is required to disclose. Given that clause 648 involves management contracts of a company and may possibly involve the relationship of interests of the management, to avoid repetition and complication in these two, the Government has revised and simplified clause 534 substantially.

Clause 534(1) provides that "A member of a company is entitled, on request made in the prescribed manner and without charge, to inspect, in accordance with regulations made under section 648, a copy of a contract or a written memorandum kept by the company under section 533"; followed by subclause (2) which provides that "A member of the company is entitled, on request and on payment of a prescribed fee, to be provided with a copy of the

contract or memorandum in accordance with regulations made under section 648". Chairman, the current amendment involves two problems, one of which is the time requirement. Even though clause 648 has stipulated procedures in fuller details, the provisions in relation to "Right of member to inspect and request copy" do not indicate the number of days within which a company should provide the relevant copy. As Members are aware, in many cases, companies tend to use administrative or various excuses for procrastination. When the persons concerned are deeply frustrated by the unfair and inappropriate treatment due to procrastination, they may probably lose the patience and persistence to continue with their quest for the relevant copy. In fact, the Government has stipulated time limit with respect to other provisions that require companies to provide copy. For example, at request of a member, a company should provide the relevant copy within seven days or a longer period of 14 days. Nonetheless, the current provision has no such requirement. This shows that even though on the surface, many provisions have stipulated requirements to protect the rights of members, obviously, there are deliberate omissions in the specific design which give companies some rights to control the situation through the choices of time and method.

Secondly, Chairman, if a company refuses to provide or fails to provide relevant copy in accordance with the provisions, clause 648 stipulates that the company should be penalized for violation of the provisions; whereas the member should submit to the Court details of the copy he requests, then the Court may by order compel the company to provide the relevant copy. However, I do not find this very appropriate. Chairman, I believe you can still remember that during the deliberation on other provisions, Members were aware that the Registrar of Companies has the power to direct, by order, companies to act in various ways under certain circumstances. For instance, the Registrar of Companies may appoint company secretaries, request companies to provide certain documents, as well as exercise his power to request the execution of certain duties or orders by companies. As elaborated earlier, when the Registrar finds a company questionable, the Ordinance has already conferred on the Registrar immense legal power to penalize the company or direct the company to execute certain duties. Given that the provisions have clearly stipulated that companies should allow its members to inspect the records referred to in clauses 634 or 648 and the copies referred to in clauses 534, if a company refuses these requests, the authorities can take the easy way to facilitate members — allow the member to submit an application to the Registrar. As long as the Registrar considers his request

consistent with the spirit of the law, the Registrar may order the company to provide the copy or records referred to in clause 648, and there is no need for the member to file an application to the Court of First Instance in accordance with the provisions.

Obviously, this is another way that spares the companies. Whenever it comes to disputes involving companies, although the companies have failed to discharge their obligations stipulated under the provisions, other members of the companies are required to submit an application to the Court. I find this a design that benefits the rich, the powerful and the influential, since whenever the underprivileged have problems to deal with, they are required to go through legal procedures, and that often cost a lot. Also, in respect of penalty, it is relatively light and the companies can settle the issue by paying the fine. I do not want to repeat the details here. Once again, this proves that speaking of the Bill as a whole, those with money are almighty.

CHAIRMAN (in Cantonese): Does any other Member wish to speak?

MR LEUNG KWOK-HUNG (in Cantonese): Chairman, I have just mentioned that the Court of First Instance is empowered to order that a meeting be held and I have pointed out that the massive amendments made by the Administration seem to ensure that there can be protection in matters like orders from the Court of First Instance or the application from the offeror to purchase shares.

Members can take a look now at the new clause 665A.

CHAIRMAN (in Cantonese): Mr LEUNG, I have just told you that this clause will be discussed at a later time. If you wish to discuss this clause, please put forward your views at that time.

MR LEUNG KWOK-HUNG (in Cantonese): Does it mean that I cannot discuss clause 665 now?

CHAIRMAN (in Cantonese): As clause 665A is a new clause which the Secretary is to move later, it will be dealt with at another time.

MR LEUNG KWOK-HUNG (in Cantonese): All right. If I cannot discuss clause 665 now, can I discuss clause 666? I think I can discuss clause 666 now. Actually, I think clause 666 is related to clause 665. But in any case, clause 666 is another clause.

Clause 666 is about the English text. Let me first look at the papers. After clause 665A is clause 666, then clause 668(1). Sorry, the amendment to clause 668(1) states: "By deleting paragraph (b) and substituting — '(b) as the date of the statement — (i) none of the following exists — (A) any floating charge created by the amalgamating company; (B) any other security created by the amalgamating company over a class of assets, to any of which the security interest has not attached; or (ii) there exists such a floating charge or other security, and each person entitled to the charge or security has consented in writing to the amalgamation proposal.' ".

Clause 668 is about "Amalgamation of Companies within Group" as set out in Part 13 Division 3. The amalgamation of companies within a certain group means two companies within that groups resort to the purchase of shares or convertibles to merge into one company. About this kind of amalgamation, as it is carried out within the same group, there should be a much higher transparency. This is because it may involve things like selling at dirt-cheap prices or buying something not suitable with exorbitant prices.

All these are like a game we play. Chairman, I think you will remember a company could sell a skyscraper to another company at just one dollar. Of course, this is not an amalgamation. It is only a sale and purchase and this is not subject to the regulation of this clause. When that company sells a building at one dollar, the asset portfolio of the company that buys it will greatly increase. But if the assets of that company do not increase as a result and if the company selling the assets will take up the assets of the other company at dirt-cheap prices, then a problem will appear. The company selling the assets is buying assets of the other company at a low price.

So there are requirements on "solvency statement" found in clause 668. The clause provides: "In this Division, a reference to a solvency statement made by the directors of an amalgamating company is a reference to a statement made before the time specified in subsection (2) that —". Then what does "before the time specified in subsection (2)" mean? I now quote: "The time specified for the purposes of subsection (1) is — (a) if the amalgamation is to be approved by a resolution passed on a poll at a general meeting, the date of the meeting; or (b) if the amalgamation is to be approved by a written resolution, the time when the resolution is circulated to the members.". Unquote.

What does this mean? It means that before a decision is made and irrespective of whether it is by circulation of a resolution or holding a meeting, the directors concerned should first say whether or not they have the money to pay. The case is just like buying something and the other party will always want to know whether you have got the money to pay. If the directors do not do this, they are doing something before asking for approval. This is a simple and reasonable argument. If people do not know about the matter before coming to a general meeting, what is the point of holding the meeting? How can it happen that people are informed only when the meeting is being held? I have just pointed out that since an amalgamation takes place by virtue of the transaction in money terms, how can the directors say that they do not know if they have got the money to pay? Therefore subclause (1) provides that "a reference to a statement made before the time specified in subsection (2)". This point is clear enough. Clause 668(2) reads: "By deleting paragraph (b) and substituting '(b) if the amalgamation ……'" Sorry, Chairman, I have talked about this before. I have taken some notes.

What I want to talk about is: "By deleting paragraph (b) and substituting — '(b) as at the date of the statement — (i) none of the following exists — (A) any floating charge created by the amalgamating company; (B) any other security created by the amalgamating company over a class of assets, to any of which the security interest has not attached; or (ii) there exists such a floating charge or other security, and each person entitled to the charge or security has consented in writing to the amalgamation proposal.'." Let us first discuss items (A) and (B). There would be no need to deal with this clause if these two situations do not exist.

However, subparagraph (ii) states that if a relevant situation exists, each person — that is not about any majority or minority or about three persons agreeing and one person disagreeing and the three persons will have their say — "entitled to the charge or security has consented in writing to the amalgamation proposal." I think it is reasonable to require each person to indicate his intention in writing instead of using other methods. A charge and a security are in fact two sides of the same coin. By a charge it means literally that there is some record for a security. Persons entitled to the charge or security means in this Bill another company within that group of companies. If an internal amalgamation takes place because of the companies entitled to the charge or security, this can only be accomplished when the company concerned agrees to it. Otherwise what should be done if problems arise in future?

After dealing with this point, let us talk about clause 668(4). In clause 668 the Administration adds "(4) In subsection (2) — " that is, about an amalgamation approved by the circulation of a written resolution. This is about the circulation date. As there has to be some definition for circulation and that the methods of circulation should also be specified …… Wait a minute, I have to check the papers. On the circulation date, clause 669(2) provides that "By deleting paragraph (d) and substituting ……".

CHAIRMAN (in Cantonese): Mr LEUNG, you are reading the paragraph that comes after it.

MR LEUNG KWOK-HUNG (in Cantonese): What?

CHAIRMAN (in Cantonese): You have just talked about clause 668(4), which is on the circulation date. But there should be one more sentence to it and you have read the next page. Please turn to the previous page and have a look.

MR LEUNG KWOK-HUNG (in Cantonese): The figures showing the pagination are too small. I have presbyopia and so I do not see that well.

CHAIRMAN (in Cantonese): You should change your habit of making revisions only before the examination.

MR LEUNG KWOK-HUNG (in Cantonese): So I never do well in examinations. I have read out from page 128 to page 129 of the Chinese version and how can it be wrong?

CHAIRMAN (in Cantonese): Just now you were saying adding paragraph (4) to clause 668.

MR LEUNG KWOK-HUNG (in Cantonese): Yes.

CHAIRMAN (in Cantonese): What you were saying was to add subclause (4) to the definition of circulation date in clause 668.

MR LEUNG KWOK-HUNG (in Cantonese): Yes.

CHAIRMAN (in Cantonese): Please finish what you want to say.

MR LEUNG KWOK-HUNG (in Cantonese): "has the meaning given by section 537(1)". Then naturally we have to look at section 537(1). Chairman, your set of papers is lighter than mine. Mine is very heavy because it is a photocopy. It is hard for me to take it up. Please wait. I am sorry. Chairman, it is because my "book" is too heavy. I do not think we should read a photocopied book like this. Let me turn to section 537(1) and check the definition for circulation date. It reads: "in relation to a written resolution or a proposed written resolution, means — (a) the date on which copies of the resolution are sent to eligible members in accordance with section 543; or (b) if copies are sent to eligible members on different days, the first of those days".

Then we have to turn to section 543 and have a look. I do not bother to look at that now. In sum, the meaning is …… I think we still have to look at section 543. Section 543 provides "If a company is required under section 540 ……" Well, I do not want to read that out. Chairman, this is because it will make us go farther and farther. All in all, the circulation date is provided in section 537(1). I do not want to say anymore. I cannot bear it.*(The buzzer sounded)* Well, I will stop here because I cannot find the relevant provisions. I will stop here.

CHAIRMAN (in Cantonese): Does any other Member wish to speak?

(No Member indicated a wish to speak)

CHAIRMAN (in Cantonese): If not, then I will call upon the Secretary to speak again.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Chairman, the Companies Bill (the Bill) is a relatively technical bill. The Bills Committee has scrutinized the Bill in depth and comprehensively over the past year or so and has forged a general consensus. However, as a few Members have exerted themselves to engage in filibustering, the Bill has become a tool of filibustering at this stage. The Committee stage started last Wednesday and as of today, we have spent six days deliberating the Bill, and this session which deals with the amendments proposed by me started on Monday. It has spanned a total of three days. Given that the Government and the Bills Committee have done plenty of work over the past year or so, I do not intend to give a response in a detailed manner to each and every point made by Members in their speeches over the last three or six days. I only wish to stress that with regard to a large number of the points raised by the filibustering Members and their various perceptions of the legislative intent derived from these points, it is necessary to carefully study the clauses and make reference to the papers discussed during the deliberations of the Bills Committee, in order to have a more accurate understanding of the interpretation of the clauses and the legislative intent. In the following, I will try to respond to some of the key points made by Members.

Mr Andrew LEUNG and Mr Jeffrey LAM have expressed concern over the criminal liability imposed on directors by the Bill. I wish to point out that for the purpose of enforcing the Bill, it is necessary to provide for the criminal liability of the non-compliant company or responsible person. When drawing up the clauses, we have considered whether the criminal liability is too harsh. We have listened to the views of the Bills Committee and made amendments to the provisions on criminal liability, in order to align the penalties for non-compliance of the same nature, and we have also deleted some penalty provisions on daily default fines.

It is worth mentioning that in response to Members' concern, we have proposed to delete the limb of "fails to take all reasonable steps to prevent" from the formulation of "responsible person". With this deletion, negligent omissions will not be covered by the formulation of "responsible person", and officers will not be liable simply for failing to take reasonable steps to prevent a contravention by the company. The *mens rea* required under the remaining limbs — "authorizes or permits, or participates in" — will be actual knowledge, wilful blindness or recklessness, but not negligence. The Bills Committee has agreed to the proposed amendment. Comparing to the Companies Ordinance, the prosecution threshold for the revised formulation of "responsible person" will still be lower as there is no need to prove "wilfulness" and hence, the policy objective of enhancing corporate governance will still be achieved. We believe the Bill can meet the needs of enforcement without being too harsh to directors.

Apart from the criminal liability of directors, Mr Andrew LEUNG and Mr Jeffrey LAM are also concerned about the statutory statement on directors' duty of care, skill and diligence in clause 456 of the Bill. There is no provision on directors' duty of care, skill and diligence in the existing Companies Ordinance, and the common law position in Hong Kong on the subject is not entirely clear. The standard in old case law, which focuses on the knowledge and experience possessed by a particular director — which is generally known as the subjective test — is considered too lenient nowadays. There is a judicial trend in other comparable jurisdictions towards the use of a dual objective and subjective standard of care, skill and diligence expected of directors. The adoption of the dual objective and subjective standard in overseas jurisdictions has come about through both the decisions of the Courts on the common law and through confirmation of that standard under statute. While it is likely that Hong Kong courts would also adopt the dual objective and subjective standard in the light of

overseas developments in the common law, uncertainty remains in the absence of a clear case law in Hong Kong.

We consider it appropriate to clarify the standard of duty of care, skill and diligence by introducing a statutory statement in the Bill to provide guidance to directors. The statement in clause 456 is modelled on the United Kingdom's Companies Act 2006. The provisions on the objective and subjective standards require that the acts of directors be judged according to both the objective and subjective standards. Under these provisions, the standard of care, skill and diligence expected of a reasonably diligent person is the crux of the issue. It is provided that this person should have the general knowledge, skill and experience as provided for in clause 456(2)(a), which is the so-called objective standard; and the general knowledge, skill and experience that the director has as provided for in clause 456(2)(b), is the so-called subjective standard. In deciding whether a company director is in breach of the duty of care, skill and diligence required of him towards his company, the Court will compare the director's acts and the standard expected to be reached by a reasonably diligent person in performing these duties. The general knowledge, skill and experience required by the so-called objective standard refer to the knowledge and experience reasonably expected of a person who takes up a post similar to a director or carries out similar functions. This involves consideration of the specific role played by a director in the company. This standard also enables the Court to take into consideration the actual differences in the duties that different types of directors are required to perform under different circumstances. This means that the duties required of a director will depend on the functions carried out by the director. Insofar as the duties of directors are concerned, there are variations between executive and non-executive directors, among different types of executive directors or non-executive directors, and also among different types and sizes of companies. For example, a non-executive director who is a lawyer by profession is not expected to act as if he is a legal adviser of the company if he is not employed as a lawyer by the company, but he is expected to possess the general legal knowledge in performing his duties as a non-executive director. We believe this is a reasonable standard.

With regard to the directors' duty of care, skill and diligence, some deputations suggested some time ago the adoption of a "business judgment rule" similar to those of jurisdictions like Australia to protect directors from liability for *bona fide* business decisions which subsequently turn out to be mistaken. The

Standing Committee on Company Law Reform (SCCLR) has considered this proposal in detail and is of the view that there is already similar protection under the common law and that the existing position is sound. We, therefore, do not see the need for formulation of the "business judgment rule". Besides, Members have proposed to develop a "safe harbour" to provide that directors would not be held liable on the ground of their background and qualifications under specific circumstances. In this connection, clause 891 provides that the Court may relieve a person from liability for any misconduct if he has acted honestly and reasonably and ought to be excused having regard to all the circumstances. We consider that there is no obvious need to further introduce the proposed "safe harbour".

As regards the threshold of registration for non-Hong Kong companies raised by Mr Ronny TONG, I wish to point out that whether under the existing Companies Ordinance or the Bill, non-Hong Kong companies which have set up a place of business in Hong Kong are required to register with the Companies Registry. Our system is similar to that in the United Kingdom, and we have already had a well-settled body of case law on what constitutes a place of business. The SCCLR has conducted a review on this issue and considers that a threshold which is based on the establishment of a place of business will provide greater certainty and therefore, the SCCLR does not suggest any amendments. For this reason, we have retained this threshold in the Bill. This issue has been discussed quite considerably in the Bills Committee. The Government will from time to time keep watch on the development in other jurisdictions in this respect and review the relevant requirements.

Mr WONG Yuk-man and Mr Albert CHAN mentioned issues relating to subsidiary legislation. As I said during the Second Reading debate, we will introduce 10-odd subsidiary legislation after the enactment of the Bill to support the enforcement of the new ordinance. We already briefed the Bills Committee on the details of the subsidiary legislation some time ago. We are in the course of preparing the initial drafting work, and we will brief the Legislative Council in the new Legislative Session and listen to views and then introduce the subsidiary legislation to the Legislative Council for deliberation as soon as possible.

Ms Audrey EU said earlier that the Government should assist the public to better understand the new ordinance. As I said earlier on, the target of the Government is to bring the new ordinance into operation in 2014. In other

words, after the passage of the Bill, the relevant parties will have a year or so to understand the requirements in the new ordinance and make preparations to meet the new requirements accordingly. Before implementation of the ordinance, we will launch publicity exercises in due course. The Companies Registry has drafted the relevant work plans which include the following:

(a) Publishing new guidelines on key topics, such as abolition of the par value of shares, business review, and so on, in order to explain the arrangements under the new Companies Ordinance. The guidelines on directors' duties, company names for registration, and so on, will be updated to assist company directors, company secretaries and relevant users in understanding the requirements in law;

(b) Organizing a series of topical seminars in the coming year with a view to enhancing public understanding of the new Companies Ordinance. We also welcome the organization of workshops by relevant professional bodies, and we will be glad to attend or provide appropriate support to these workshops; and

(c) A series of promotional work will be carried out by the authorities, which include providing more detailed information to relevant professionals in collaboration with professional bodies and facilitating public access to various information relating to the new Companies Ordinance through pamphlets, the media, the Internet and electronic communication channels of the Companies Registry.

These initiatives will be helpful to the stakeholders in better understanding and grasping the contents of the new company law, and this will, in turn, facilitate their compliance with the new statutory requirements.

Chairman, the deliberation of the Bill has been a strenuous task. Over the past year or so, the Bills Committee and Legal Adviser of the Legislative Council have made unrelenting efforts to scrutinize the Bill and provided a lot of valuable input, for which we are very grateful. We have considered Members' views and repeatedly examined the clauses before introducing these 800-odd amendments. We believe these amendments will further improve the Bill. We believe this exercise to rewrite the Companies Ordinance has modernized the company law of Hong Kong comprehensively. After commencement of the new Companies

Ordinance, we will continue to review it from time to time, to bring the company law in line with the trend of international development and the actual needs of Hong Kong.

With these remarks, I hope that Members will support the amendments proposed by the Government.

CHAIRMAN (in Cantonese): I now put the question to you and that is: That the amendments moved by the Secretary for Financial Services and the Treasury be passed. Will those in favour please raise their hands?

(Members raised their hands)

CHAIRMAN (in Cantonese): Those against please raise their hands.

(No hands raised)

Mr Albert CHAN rose to claim a division.

CHAIRMAN (in Cantonese): Mr Albert CHAN has claimed a division. The division bell will ring for five minutes.

CHAIRMAN (in Cantonese): Will Members please proceed to vote.

CHAIRMAN (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Mr Albert HO, Dr Raymond HO, Mr LEE Cheuk-yan, Dr Margaret NG, Mr James TO, Mr CHAN Kam-lam, Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG Yung-kan, Mr LAU Kong-wah, Ms Emily LAU, Mr TAM Yiu-chung, Mr Abraham SHEK, Ms LI Fung-ying, Mr Frederick FUNG, Ms Audrey EU, Mr

Vincent FANG, Mr WONG Kwok-hing, Dr Joseph LEE, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr CHEUNG Hok-ming, Mr WONG Ting-kwong, Mr Ronny TONG, Mr KAM Nai-wai, Ms Cyd HO, Ms Starry LEE, Mr CHAN Hak-kan, Mr Paul CHAN, Mr CHAN Kin-por, Mr CHEUNG Kwok-che, Mr WONG Kwok-kin, Mr IP Wai-ming, Mr IP Kwok-him, Mrs Regina IP, Dr PAN Pey-chyou, Mr Paul TSE and Mr Alan LEONG voted for the amendments.

Mr LEUNG Kwok-hung, Mr Albert CHAN and Mr WONG Yuk-man abstained.

THE CHAIRMAN, Mr Jasper TSANG, did not cast any vote.

THE CHAIRMAN announced that there were 42 Members present, 38 were in favour of the amendments and three abstained. Since the question was agreed by a majority of the Members present, he therefore declared that the amendments were passed.

CHAIRMAN (in Cantonese): As the amendments to clauses 45, 56, 92, 265, 307, 330, 332, 424, 488 and 622, which deal with deletion, have been passed, clauses 45, 56, 92, 265, 307, 330, 332, 424, 488 and 622 are deleted from the Bill.

CLERK (in Cantonese): Clauses 2, 3, 5, 7, 15, 19, 26, 33, 36 to 39, 43, 47, 48, 50 to 54, 57, 58, 60, 62, 68, 69, 78, 79, 80, 82 to 86, 89 to 91, 94, 95, 100, 102, 103, 105, 108, 109, 112, 113, 114, 120, 122, 126, 128, 130, 133, 135, 136, 137, 141, 143, 144, 150, 153, 155, 156, 157, 159, 160, 161, 165, 166, 167, 173, 174, 175, 177, 178, 179, 183, 186, 187, 194, 196, 198, 205, 207, 213, 218 to 222, 225, 226, 227, 231, 233, 237, 253, 256, 261, 262, 266, 271, 272, 276, 277, 279 to 282, 285, 286, 288, 291, 292, 294 to 303, 305, 306, 309, 310, 312, 313, 319, 322, 324, 325, 329, 331, 334 to 342, 344, 345, 346, Heading for Division 6 of Part 8, 349, 350, 352 to 355, 357, 358, 363, 365, 367, 369 to 373, 375 to 380, 382, 384, 386, 387, 389, 391, 394, 396, 401, 404, 405, 406, 408, 409, 410, 413, 414, 416, 418, 420 to 423, 426, 430, 431, 433, 434, 436 to 439, 441, 442, 449, 453, 454, 456, 460, 462, 463, 464, 467, 472, 474, 475, 477, 478, 479, 481, 482, 485, 486, 487, 489, 491 to

497, 500, 501, 503 to 507, 509, 513, 515, 516, 521, 522, 523, 529, 533, 534, 535, 539, 541 to 544, 547, 549, 551 to 556, 558, 563, 568, 569, 570, 572, 573, 574, 579, 584, 588, 594, 600, 602, 603, 605, 607 to 614, 617 to 621, 623, 624, 626, 627, 628, 630, 632 to 636, 639, 640, 642, 643, 646 to 651, 655, 657, 658, 666, 668 to 671, 673, 678, 680, 682, 683, 684, 688, 689, 691 to 694, 696, 697, 698, 701, 702, 703, 707, 709, 710, 712, 715, 720, 721, 728 to 731, 738, 740, 742, 743, 746, 747, 761, 762, 764, 766, 767, 769, 774 to 783, 785, 786, 788, 790, 805, 807, 811, 812, 816, 817, 819, 820, 821, 825, 830, 833, 843, 844, 849, 854, 865, 867, 868, 883, 885, 887, 889, 897, 900, 901, 902, 908 and 909 as amended.

CHAIRMAN (in Cantonese): I now put the question to you and that is: That the clauses as amended that I have just read out stand part of the Bill. Will those in favour please raise their hands?

(Members raised their hands)

CHAIRMAN (in Cantonese): Those against please raise their hands.

(No hands raised)

CHAIRMAN (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the motion passed.

SUSPENSION OF MEETING

CHAIRMAN (in Cantonese): I now suspend the meeting until 9 am tomorrow.

Suspended accordingly at five minutes past Ten o'clock.

Annex I

Companies Bill

Committee Stage

Amendments moved by the Secretary for Financial Services and the Treasury

Clause	Amendment Proposed
2(1)	In the definition of ***financial year***, by deleting "—see section 363" and substituting ", in relation to a company, means a financial year of the company determined in accordance with Division 3 of Part 9".
2(1)	In the definition of ***predecessor Ordinance***, by deleting "section 1" and substituting "section 2".
2(1)	In the definition of ***written resolution***, by deleting "section 546" and substituting "Subdivision 2 of Division 1 of Part 12".
2(1)	By deleting the definitions of ***special notice*** and ***undertaking***.
3(2)	By deleting paragraph (b) and substituting— "(b) authorizes or permits, or participates in, the contravention or failure.".
3(3)	By deleting paragraphs (b) and (c) and substituting— "(b) the body corporate authorizes or permits, or participates in, the contravention or failure; and (c) the person authorizes or permits, or participates in, the contravention or failure.".
5(7)	By deleting paragraph (f).

5(7)(g) By deleting ", (e) or (f)" and substituting "or (e)".

5(7)(h) By deleting ", (f)".

New By adding immediately after clause 5—

"**5A. Offering shares or debentures to public, etc.**

(1) In this Ordinance, a reference to offering shares or debentures of a company to the public includes offering them to a section of the public, whether selected—

(a) as members or debenture holders of the company;

(b) as clients of the person making the offer; or

(c) in any other manner.

(2) In this Ordinance and in a company's articles, a reference to an invitation to the public to subscribe for shares or debentures of a company includes an invitation to a section of the public, whether selected—

(a) as members or debenture holders of the company;

(b) as clients of the person making the invitation; or

(c) in any other manner.

(3) Neither subsection (1) nor subsection (2) operates to treat a private offer of shares or debentures, or a private invitation to subscribe for shares or debentures, as an offer or invitation made to the public.

(4) In particular—

(a) a provision in a company's articles prohibiting invitations to the public to subscribe for shares or debentures is not to be regarded as prohibiting a private invitation to subscribe for shares or debentures to be made to members or debenture holders; and

(b) the provisions of this Ordinance relating to private companies are to be construed accordingly.

(5) In this section, an offer of shares or debentures, or an invitation to subscribe for shares or debentures, is a private offer or invitation if the offer or invitation can properly be regarded, in all the circumstances, as being—

(a) not calculated to result, directly or indirectly, in the shares or debentures becoming available for subscription or purchase by persons other than those receiving the offer or invitation; or

(b) a domestic concern of the persons making and receiving the offer or invitation.".

7 By renumbering the clause as clause 7(1).

7 By adding—

"(2) For the purposes of subsection (1), the liability of the members of an existing company is to be regarded as being limited by the company's articles to any amount unpaid on the shares held by the members if a condition of the memorandum of association of the company stating that the liability of the members is limited is regarded as a provision of the articles by virtue of section 93.".

15 In the heading, by deleting "**, parent company**".

15 By deleting ", parent company".

19(1) In the definition of ***company***, in paragraph (b), by deleting "immediately" and substituting "at any time".

26 By deleting the clause and substituting—

"**26. Registrar must keep records of companies**

(1) The Registrar must keep records of—

(a) the information contained in every document that is delivered to the Registrar for registration and that the Registrar decides to register under this Part;

(b) the information contained in every certificate that is issued by the Registrar under this Ordinance; and

(c) the information contained in every prospectus registered by the Registrar under section 38D or 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32).

(2) The Registrar must continue to keep the records that were, immediately before the commencement date of this section, kept for the purpose of a register of companies under the predecessor Ordinance.

(3) For the purposes of subsections (1) and (2), the Registrar must record the specified address as the correspondence address of a director, reserve director or company secretary of the following company—

(a) an existing company;

(b) a company falling within paragraph (a) of the definition of ***company*** in section 19(1) that is registered under section 765(1) by virtue of section 124 of Schedule 10; or

(c) a company falling within paragraph (b) of the definition of ***company*** in section 19(1).

(4) After the specified address is recorded under subsection (3) as the correspondence address of a director, reserve director or company secretary of a company, the Registrar must update the entry of such correspondence address with—

(a) the latest address of the company's registered office contained in a notice of change of address of the company's registered office—

(i) that is sent under section 92(3) of the predecessor Ordinance or section 649(3); and

(ii) that is registered by the Registrar under this Part; or

(b) the latest address of the company's principal place of business in Hong Kong contained in a return in respect of the change of address of the company's principal place of business in Hong Kong—

(i) that is delivered under section 335(1)(d) of the predecessor Ordinance or section 779(1); and

(ii) that is registered by the Registrar under this Part.

(5) Subsection (4) does not apply if, in relation to the director, reserve director or company secretary of a company—

(a) a notice or return is delivered under section 636(4), 643(2) or 779(1) in respect of a change of the person's correspondence address; and

(b) the notice or return is registered by the Registrar under this Part.

(6) For the purposes of subsection (3), an address is the specified address in relation to a director, reserve director or company secretary of a company if—

(a) immediately before the commencement date of this section, the address was shown on the register of companies under the predecessor Ordinance as the address of the company's registered office or principal place of business in Hong Kong;

(b) the address is contained, as the address of the company's registered office, in an incorporation form—

(i) delivered before the commencement date of Division 1 of Part 3 to the Registrar for registration under section 15(1) of the predecessor Ordinance; and

(ii) registered on or after that commencement date under section 16(1) of the predecessor Ordinance; or

(c) the address is contained, as the address of the company's principal place of business in Hong Kong, in an application for registration delivered before the commencement date of Division 2 of Part 16 to the Registrar under section 333 of the predecessor Ordinance and the registration takes place under section 765(1).

26A. Provisions supplementary to section 26

(1) The records kept under section 26 must be such that information relating to a company is associated with the company in a manner determined by the Registrar, so as to enable all the information relating to the company to be retrieved.

(2) A record of information for the purposes of section 26(1) must be kept in such form as to enable any person to inspect the information contained in the record and to make a copy of the information.

(3) Subject to subsections (1) and (2), a record of information for the purposes of section 26(1) may be kept in any form that the Registrar thinks fit.

(4) If the Registrar keeps a record of information in a form that differs from the form in which the document containing the information was delivered to, or generated by, the Registrar, the record is presumed, unless the contrary is proved, to represent the information contained in the document as delivered or generated.

(5) If the Registrar records the information contained in a document for the purposes of section 26(1), the Registrar is to be regarded as having discharged any duty imposed by law on the Registrar to keep, file or register the document.".

33 By adding—

"(1A) Subsection (1) does not apply to a prospectus as defined by section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32).".

36(2) By deleting "may" and substituting "must".

37 By deleting subclause (1) and substituting—

"(1) If it appears to the Registrar that the information contained in a document registered by the Registrar in respect of a company is inconsistent with other information relating to the company on the Companies Register, the Registrar may give notice to the company—

(a) stating in what respect the information contained in the document appears to be inconsistent with other information on the Companies Register; and

(b) requiring the company to take steps to resolve the inconsistency.".

37 By adding—

"(4) If a person is charged with an offence under subsection (3) for failure to comply with a requirement, it is a defence to establish that the person took all reasonable steps to secure compliance with the requirement.".

38 By deleting subclauses (2) and (3) and substituting—

"(2) If a person fails to comply with a requirement under subsection (1)—

(a) where the person is a company, the company, and every responsible person of the company, commit an offence; or

(b) where the person is not a company, the person commits an offence.

(3) A person who commits an offence under subsection (2) is liable to a fine at level 5 and, in the case of a continuing offence, to a further fine of $1,000 for each day during which the offence continues.

(4) If a person is charged with an offence under subsection (2) for failure to comply with a requirement, it is a defence to establish that the person took all reasonable steps to secure compliance with the requirement.".

39(2) In the Chinese text, by deleting "該公司" and substituting "由該公司提出".

43(1)(a)(i) By adding "to which this subsection applies" after "a company".

43(1)(a)(ii), (iv), (v) and (vi) By adding "such" before "a company".

43 By adding—

"(1A) Subsection (1) applies to—

(a) a company falling within the definition of ***company*** in section 19(1); and

(b) an unregistered company as defined by section 326 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32).".

43(4) In the definition of ***disqualification order***, by deleting paragraphs (a), (b) and (c) and substituting—

"(a) be a director, or a liquidator or provisional liquidator, of any company to which subsection (1) applies;

(b) be a receiver or manager of the property of such a company; or

(c) in any way, whether directly or indirectly, be concerned or take part in the promotion, formation or management of such a company.".

45 By deleting the clause.

New By adding immediately before clause 46—

"**45A. Interpretation**

In this Subdivision—

withheld address (不提供的地址) means an address withheld from public inspection under section 47(1)(a);

withheld identification number (不提供的身分識別號碼) means a number withheld from public inspection under section 47(1)(b);

withheld information (不提供的資料) means a withheld address or a withheld identification number.".

47(1) By deleting "43(1)" and substituting "43".

47(3) By deleting "may" and substituting "must".

47 By deleting subclauses (7) and (8) and substituting—

"(7) An application for the purposes of subsection (1) must—

(a) contain the information required by regulations made under subsection (8)(a);

(b) be accompanied by the documents required by regulations made under subsection (8)(b); and

(c) be accompanied by a fee prescribed by regulations made under subsection (8)(c).

(8) The Financial Secretary may make regulations—

(a) providing for the information to be contained in an application made for the purposes of subsection (1), including—

(i) the correspondence address required for the purposes of subsection (3); and

(ii) any other information specified by the Registrar for such an application;

(b) providing for the documents to accompany such an application, including any document specified by the Registrar for such an application;

(c) prescribing the fees to accompany such an application; and

(d) providing for the powers of the Registrar to require additional documents and information to be provided to the Registrar for the purposes of determining such an application.".

47(9) By deleting "must be an address in Hong Kong and".

New By adding immediately after clause 47—

"**47A. Restriction on use or disclosure of withheld information**

The Registrar must not use or disclose withheld information except—

(a) as permitted by section 47B; or

(b) in accordance with section 47C.

47B. Permitted use or disclosure of withheld information by Registrar

(1) The Registrar may use—

(a) a withheld address for communicating with the director, reserve director or company secretary in question; or

(b) a withheld identification number for communicating with the person in question.

(2) The Registrar may use withheld information for the purpose of or in connection with the performance of the Registrar's functions.

(3) The Registrar may, on application made for the purposes of this subsection, disclose withheld information to a person specified by regulations made under subsection (5)(e). A disclosure may only be made in accordance with regulations made under subsection (5).

(4) An application for the purposes of subsection (3) must—

(a) contain the information required by regulations made under subsection (5)(a);

(b) be accompanied by the documents required by regulations made under subsection (5)(b); and

(c) be accompanied by a fee prescribed by regulations made under subsection (5)(c).

(5) The Financial Secretary may make regulations—

(a) providing for the information to be contained in an application made for the purposes of subsection (3), including any information specified by the Registrar for such an application;

(b) providing for the documents to accompany such an application, including any document specified by the Registrar for such an application;

(c) prescribing the fees payable for the purposes of subsection (3) to accompany such an application;

(d) providing for the powers of the Registrar to require additional documents and information to be provided to the Registrar for the purposes of determining such an application;

(e) specifying the persons to whom withheld information may be disclosed; and

(f) providing for the conditions in accordance with which withheld information may be disclosed to such persons, including the extent to which such information may be disclosed to them.

47C. Disclosure under order of Court

(1) The Court may make an order for the disclosure by the Registrar of a withheld address—

(a) if—

(i) there is evidence that the service of documents at an address contained in an application under section 47(1) as the correspondence address is not effective to bring them to the notice of the director, reserve director or company secretary in question; or

(ii) it is necessary or expedient for the withheld address to be disclosed in connection with the enforcement of an order or decree of a court; and

(b) if the Court is satisfied that it is appropriate to make the order.

(2) The Court may make an order for the disclosure by the Registrar of a withheld identification number—

(a) if it is necessary or expedient for the number to be disclosed in connection with the enforcement of an order or decree of a court; and

(b) if the Court is satisfied that it is appropriate to make the order.

(3) An order under subsection (1) or (2) may be made on the application of—

(a) a creditor of the company in respect of which the document containing the withheld information is delivered to the Registrar for registration under this Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) or the predecessor Ordinance; or

(b) any other person appearing to the Court to have a sufficient interest.

(4) An order under subsection (1) or (2) must specify the persons to whom, and purposes for which, the disclosure is authorized.".

48(1) In the definition of ***relevant correspondence address***, in paragraph (a)(ii), by deleting "or" at the end.

48(1) In the definition of ***relevant correspondence address***, in paragraph (a), by adding—

"(iv) a notice delivered to the Registrar for registration under section 673(1)(d) in relation to the appointment of a director of the company; or

(v) an application delivered for the purposes of section 795(1) in relation to the registration of the company;".

50(4)(a) In the Chinese text, by adding "有關" before "受保護".

51 By adding—

"(3A) A written notice under subsection (2)(a) must be sent to the director—

(a) at the protected address; or

(b) if it appears to the Registrar that service at the protected address may not be effective to bring it to the notice of the director, at the relevant correspondence address of the director.".

51(7)(b) By deleting "immediately" and substituting "at any time".

52 In the heading, by deleting "**Registrar must not use or disclose protected information**" and substituting "**Restriction on use or disclosure of protected information**".

53(1)(a) In the Chinese text, by deleting "在與有關董事通訊時，" and substituting "為與有關董事進行通訊而".

53(1)(b) In the Chinese text, by deleting "在與有關的人通訊時，" and substituting "為與有關的人進行通訊而".

53 By deleting subclauses (3) and (4) and substituting—

"(3) The Registrar may, on application made for the purposes of this subsection, disclose protected information to a person specified by regulations made under subsection (5)(e). A disclosure may only be made in accordance with regulations made under subsection (5).

(4) An application for the purposes of subsection (3) must—

(a) contain the information required by regulations made under subsection (5)(a);

(b) be accompanied by the documents required by regulations made under subsection (5)(b); and

(c) be accompanied by a fee prescribed by regulations made under subsection (5)(c).

(5) The Financial Secretary may make regulations—

(a) providing for the information to be contained in an application made for the purposes of subsection (3), including any information specified by the Registrar for such an application;

(b) providing for the documents to accompany such an application, including any document specified by the Registrar for such an application;

(c) prescribing the fees payable for the purposes of subsection (3) to accompany such an application;

(d) providing for the powers of the Registrar to require additional documents and information to be provided to the Registrar for the purposes of determining such an application;

(e) specifying the persons to whom protected information may be disclosed; and

(f) providing for the conditions in accordance with which protected information may be disclosed to such persons, including the extent to which such information may be disclosed to them.".

54(3)(a) By deleting "or member".

56 By deleting the clause.

New By adding—

"56A. Registrar may issue certificates in any manner

(1) The Registrar may issue a certificate under this Ordinance in any manner the Registrar thinks fit.

(2) Without limiting the powers of the Registrar under subsection (1), the Registrar may issue a certificate in the form of an electronic record.".

57(a) and (b) By deleting "for registration".

58 By deleting subclause (2) and substituting—

"(2) Where, for the purposes of this Ordinance, a protected person provides a service by means of which information in electronic form is supplied to the public, or supplies information by means of magnetic tapes or any electronic mode, the protected person is not personally liable for any loss or damage suffered by a user of the service or information by reason of an error or omission appearing in the information if the error or omission—

(a) was made in good faith and in the ordinary course of the discharge of the protected person's duties; or

(b) has occurred or arisen as a result of any defect or breakdown in the service or any equipment used for the service or for supplying the information.".

60(2) By adding "on conviction on indictment" after "liable".

62(1)(a) By adding "and" at the end.

62(1)(b)(ii) By deleting "; and" and substituting a full stop.

62(1) By deleting paragraph (c).

68(1) By adding "or, if a change of name has effect under section 102, 105, 758 or 760, with the new name" before the full stop.

69(1) By deleting "14" and substituting "15".

78(2) By adding "formed and registered under this Ordinance" after "company".

79 By adding—

"(3) Subsection (1) does not apply to the articles of an existing company that is deemed to be a company limited by shares under section 4(3) of the predecessor Ordinance.".

80 By deleting subclauses (1) and (2) and substituting—

"(1) The articles of a company with a share capital must state the information required under section 8 (except subsection (1)(d)(iv), (v), (vi) and (vii)) of Schedule 2 to be contained in the company's incorporation form.".

82(2) By deleting "A" and substituting "Except as provided in Division 8, a".

82 In the Chinese text, by deleting subclauses (3) and (4) and substituting—

"(3) 除第 175 條另有規定外，如對有股本的公司的章程細則的修改，會與附於該公司某類別股份的股份的任何權利不相符，則該公司不得作出該項修改。

(4) 除第 183 條另有規定外，如對無股本的公司的章程細則的修改，會與該公司某類別成員的任何權利不相符，則該公司不得作出該項修改。".

83(5) By deleting "14" and substituting "15".

84(6)(a), (b)(ii) and (c) By deleting "14" and substituting "15".

85(5)(a), (b)(ii) and (c) By deleting "14" and substituting "15".

86 In the Chinese text, by deleting subclause (2) and substituting—

"(2) 第 84(5)條所指的申請，可由第(1)(a)或(b)款所述的全部有關人士為提出該條所指的申請而以書面委任的他們當中的一人或多於一人代表他們提出。".

86 In the Chinese text, by deleting subclause (4) and substituting—

"(4) 第 85(4)條所指的申請，可由第(3)款所述的全部有關人士為提出該條所指的申請而以書面委任的他們當中的一人或多於一人代表他們提出。".

89(2) By deleting "14" and substituting "15".

90(2) By deleting "14" and substituting "15".

91(1) By deleting "14" and substituting "15".

New By adding—

"**91A. Copies of articles to be provided to members**

(1) A company must, on request of a member of the company, provide, without charge, the member with an up-to-date copy of the company articles within 7 days after it receives the request.

(2) If a company contravenes subsection (1), the company, and every responsible person of the company, commit an offence, and each is liable to a fine at level 3.".

92 By deleting the clause.

94 By deleting subclause (1) and substituting—

"(1) This section applies to—

(a) a company limited by guarantee registered under a former Companies Ordinance on or after 1 January 1912 that does not have a share capital; and

(b) a company registered as a company limited by guarantee under this Ordinance.".

95(2)(c) By deleting subparagraphs (i) and (ii) and substituting—

"(i) section 103, 104 or 759; or

(ii) section 22 or 22A of the predecessor Ordinance on or after 10 December 2010.".

100(1)(b) By deleting "publication of a company name" and substituting "use of the word "Limited" as part of its English name or use of the characters "有限公司" as part of its Chinese name".

102(2) By deleting "14" and substituting "15".

103(2) By deleting paragraph (b) and substituting—

"(b) an office copy of the order, and a notice in the specified form, are delivered to the Registrar for registration by a person in whose favour the order is made.".

105(1)(a) By deleting "the commencement date of the Companies (Amendment) Ordinance 2010 (12 of 2010)" and substituting "10 December 2010".

108(5) In the English text, by deleting the comma.

109(1) By deleting "14" and substituting "15".

112(2)(c) In the Chinese text, by deleting "並不" and substituting "不會".

113(9) By deleting "Part 11 (see section 477)" and substituting "section 477".

114(4) By deleting the definition of ***exempted company*** and substituting—

"***exempted company*** (獲豁免公司) means a company—

(a) to which a licence under section 98 relates; and

(b) that is exempt from tax under section 88 of the Inland Revenue Ordinance (Cap. 112);".

120(5)	By deleting "An executing agent" and substituting "The person".
122	By adding—
	"(1A) If a company executes a document under its common seal, the seal must be affixed in accordance with the provisions of its articles.".
126(1)(a)	By adding "and" at the end.
126(1)	By deleting paragraph (b).
128(5)	By deleting "and (e)".
130(2)	In the note, by deleting "introduction of shares having no" and substituting "abolition of".
133	In the note, by deleting "for the" and substituting "relating to the".
135	By deleting subclause (4) and substituting—
	"(4) A director commits an offence if the director knowingly contravenes, or authorizes or permits a contravention of, this section.".
136(3)(b) and (c)	In the Chinese text, by deleting "無需" and substituting "無須".
137(1)	By adding "limited" before "company".
137	By deleting subclause (3).
137(4) and (5)	By deleting "a company" and substituting "a limited company".
137(7)	In the Chinese text, by deleting "情況下具" and substituting "情況下，具".

141 In the heading, in the Chinese text, by deleting "**認可發行或配發**" and substituting "**使發行或配發有效**".

143(2)(b)(ii) By adding "and" at the end.

143(2) By deleting paragraph (c).

143(2)(d) In the Chinese text, by deleting "(如有關股份並非提供予公眾認購)" and substituting "(如沒有向公眾人士作出認購有關股份的要約)".

144 By deleting subclause (2).

150(5) In the Chinese text, in the definition of ***營業日***, by deleting "營業進行" and substituting "進行".

153(1) In the Chinese text, by adding "獲得" after "傳轉".

155(1) By deleting the note.

155(2) In the Chinese text, by deleting "股份權利" and substituting "獲得股份的權利".

156 In the Chinese text, by deleting "股份權利" and substituting "獲得股份的權利".

157 In the English text, in the definition of ***registered holder***, by deleting the full stop and substituting a semicolon.

157 In the Chinese text, in the definition of ***新股份證明書***, by deleting "書。" and substituting "書;".

157 By adding—

"***website*** (網站), in relation to a company (other than a recognized exchange company), means the website on which the company is required, by the listing rules applicable to the recognized stock market concerned, to publish announcements, notices or other documents.".

159(4) By deleting paragraphs (a) and (b) and substituting—

"(a) deliver a copy of the notice to the recognized exchange company that operates the stock market on which the shares concerned are listed; and

(b) obtain a certificate from an authorized officer of that exchange company that the copy is being exhibited in accordance with subsection (5).".

159 By deleting subclause (5) and substituting—

"(5) A recognized exchange company must exhibit a copy of a notice received under subsection (4)(a) in a conspicuous place on the premises on which the stock market operates or make the notice available on its official website for a period of at least—

(a) one month, for a notice that is not required to be published under subsection (2)(b); or

(b) 3 months, for a notice that is required to be published under subsection (2)(b).

(5A) For the purposes of subsection (5), a failure to make a copy of a notice available on an exchange company's official website throughout a period mentioned in that subsection is to be disregarded if—

(a) the notice is made available on the website for part of that period; and

(b) the failure is wholly attributable to circumstances that it would not be reasonable to have expected that exchange company to prevent or avoid.".

159(6) By deleting ", the company" and substituting ", the listed company".

159(7) In the definition of ***latest value***, by deleting the semicolon and substituting a full stop.

159(7) By deleting the definition of ***website***.

160 By deleting subclause (5).

161 By deleting subclause (1) and substituting—

"(1) A listed company that issues a new certificate must—

(a) publish a notice in the specified form in accordance with this section; and

(b) deliver a copy of the notice to the recognized exchange company that operates the stock market on which the shares concerned are listed within 14 days after the date of issue.

(1A) The notice must be published by making it available on the listed company's website throughout a period of at least 7 days beginning on a date falling within 14 days after the date of issue.

(1B) If the listed company was required by section 159(2)(b) to publish a notice in the Gazette of its intention to issue the new certificate, the notice under this section must also be published in the Gazette within 14 days after the date of issue.

(1C) For the purposes of subsection (1A), a failure to make a notice available on a listed company's website throughout a period mentioned in that subsection is to be disregarded if—

(a) the notice is made available on the website for part of that period; and

(b) the failure is wholly attributable to circumstances that it would not be reasonable to have expected the company to prevent or avoid.".

165(1) By deleting "A company" and substituting "A limited company".

165(3) By deleting "A company" and substituting "A limited company".

165(3) By deleting the note and substituting—

"**Note—**

Sections 135 and 136 contain provisions requiring a resolution of the company for an allotment of shares. Those sections may be relevant to an alteration of share capital referred to in subsection (2)(a), (c) or (d).".

165(8) By deleting "A company's" and substituting "A limited company's".

166 By deleting subclause (3).

166(4) In the note, by adding "for registration" after "Registrar".

167(1) By deleting "A company" and substituting "A limited company".

167(2) By deleting "a company" and substituting "a limited company".

167(5) By deleting "this purpose" and substituting "the purposes of this section".

167(6) By deleting "A company's" and substituting "A limited company's".

173(2) In the Chinese text, by deleting "並不僅" and substituting "不會僅".

174(2)(b) By deleting ", prospectus or directors' report".

175(2) By deleting the note and substituting—

"**Example**—

A company could make an agreement with the holders of shares in a class that imposes restrictions on the variation of class rights.".

177 In the Chinese text, by deleting subclause (3) and substituting—

"(3) 上述申請可由有權提出申請的全部有關成員以書面委任的他們當中的一人或多於一人代表他們提出。".

178(1) By deleting everything after "must deliver" and substituting "an office copy of the order to the Registrar for registration within 15 days after it is made.".

179(1) By adding "for registration" after "Registrar".

183(2) By deleting the note and substituting—

"**Example**—

A company could make an agreement with the members of a class that imposes restrictions on the variation of class rights.".

186(1) By deleting everything after "must deliver" and substituting "an office copy of the order to the Registrar for registration within 15 days after it is made.".

187(1) By adding "for registration" after "Registrar".

194(1) In the Chinese text, by deleting "提供" and substituting "給予".

196(1) By adding "for registration" after "Registrar".

198(1) In the definition of ***distributable profits***, by deleting the note.

205(1) In the note, by deleting—

"**Note**—

For example—"

and substituting—

"**Examples**—".

205(1) In the examples, in the Chinese text, by deleting "繳款" (wherever appearing) and substituting "繳".

207 In the Chinese text, by deleting subclause (2) and substituting—

"(2) 即使某公司的一名或多於一名董事在為減少該公司的股本而作出償付能力陳述一事上，犯第 202 條所訂的罪行，該公司不會僅因此而就該項股本減少干犯本條所訂的罪行。".

207(3) By deleting the note.

213(1) By deleting everything before "publish a notice" and substituting—

"(1) If a special resolution for reduction of share capital is passed, the company must, on or before the date specified in subsection (1A),".

213 By adding—

"(1A) The date is—

(a) a date that falls on the last working day of the week after the week in which the special resolution is passed; or

(b) if the period between the date in paragraph (a) and the date on which the special resolution is passed is less than 4 business days (both dates exclusive), a date that falls on the last working day of the week next following.

Examples—

1. The special resolution is passed on 2 February of a year (Thursday). Apart from Saturdays and Sundays, all other dates in February of that year are business days. The date that falls on the last working day of the week after the week in which the special resolution is passed is 10 February (Friday) of that year. There are 5 business days between 2 February and 10 February. Therefore, the relevant notice must be published in the Gazette on or before 10 February (Friday) of that year.

2. The special resolution is passed on 30 March of a year (Friday). Both 4 April (Wednesday) and 6 April (Friday) of that year are general holidays. 2 April (Monday), 3 April (Tuesday), 5 April (Thursday) and 13 April (Friday) of that year are business days. The date that falls on the last working day of the week after the week in which the special resolution is passed is 5 April (Thursday). There are only 2 business days between 30 March and 5 April. Therefore, the relevant notice must be published in the Gazette on or before the last working day of the week next following, which is 13 April (Friday) of that year.".

213(3) By deleting everything after "level 3" and substituting a full stop.

213 By adding—

"(6) For the purposes of subsection (1A)—

business day (辦公日) means a day that is not—

(a) a general holiday;

(b) a Saturday; or

(c) a black rainstorm warning day or gale warning day as defined by section 71(2) of the Interpretation and General Clauses Ordinance (Cap. 1);

working day (工作日) means a day that is not—

(a) a general holiday; or

(b) a Saturday.".

218(1) By deleting "14" and substituting "15".

218(1) By deleting the note.

219(1) By deleting the note and substituting—

"**Note**—

Under section 210(2), the special resolution and the reduction of share capital take effect when the return is registered by the Registrar.".

220(1)(c)(i) and (ii) By deleting "14" and substituting "15".

220(1) By deleting the note and substituting—

"**Note**—

Under section 210(2), the special resolution and the reduction of share capital take effect when the return is registered by the Registrar.".

221 In the heading, in the Chinese text, by deleting "議決".

221(2)(a) and (b)	In the Chinese text, by deleting "繳款" and substituting "繳".
222(3)	By deleting "For that purpose" and substituting "For the purposes of subsection (2)".
222(5)	By deleting "For that purpose" and substituting "For the purposes of subsection (4)".
225(1)(b)	By deleting "14" and substituting "15".
225(1)	By deleting the note.
226(2)	By deleting "or bear the Registrar's printed signature".
227(3)(b)	In the English text, by deleting "contributors" and substituting "contributories".
231(3)	By deleting the note.
231	By adding— "(4) A buy-back that contravenes subsection (3) is void.".
233(4)(b)	In the English text, by deleting "is not" and substituting "is neither".
233(4)(b)(i)	In the English text, by deleting "or" at the end and substituting "nor".
237	By deleting the note.
253(2)	By deleting the note.
256(1)	By deleting everything before "publish a notice" and substituting— "(1) If a special resolution for payment out of capital is passed, the company must, on or before the date specified in subsection (1A),".

256 By adding—

"(1A) The date is—

(a) a date that falls on the last working day of the week after the week in which the special resolution is passed; or

(b) if the period between the date in paragraph (a) and the date on which the special resolution is passed is less than 4 business days (both dates exclusive), a date that falls on the last working day of the week next following.

Examples—

1. The special resolution is passed on 2 February of a year (Thursday). Apart from Saturdays and Sundays, all other dates in February of that year are business days. The date that falls on the last working day of the week after the week in which the special resolution is passed is 10 February (Friday) of that year. There are 5 business days between 2 February and 10 February. Therefore, the relevant notice must be published in the Gazette on or before 10 February (Friday) of that year.

2. The special resolution is passed on 30 March of a year (Friday). Both 4 April (Wednesday) and 6 April (Friday) of that year are general holidays. 2 April (Monday), 3 April (Tuesday), 5 April (Thursday) and 13 April (Friday) of that year are business days. The date that falls on the last working day of the week after the week in which the special resolution is passed is 5 April (Thursday). There are only 2 business days between 30 March and 5 April. Therefore, the relevant notice must be published in the Gazette on or before the last working day of the week next following, which is 13 April (Friday) of that year.".

256(3) By deleting everything after "level 3" and substituting a full stop.

256 By adding—

"(6) For the purposes of subsection (1A)—

business day (辦公日) means a day that is not—

(a) a general holiday;

(b) a Saturday; or

(c) a black rainstorm warning day or gale warning day as defined by section 71(2) of the Interpretation and General Clauses Ordinance (Cap. 1);

working day (工作日) means a day that is not—

(a) a general holiday; or

(b) a Saturday.".

261(1) By deleting "14" and substituting "15".

261(1) By deleting the note.

262(4) By deleting "subsection (5)" and substituting "section 231(4)".

262(4) In the Chinese text, by deleting "並不" and substituting "不會".

262 By deleting subclause (5).

265 By deleting the clause.

266(1) By deleting "14" and substituting "15".

266(2) By deleting the note.

271(1) By deleting "or its holding company, the company" and substituting ", the company or any of its subsidiaries".

271(2)(a) By deleting "or its holding company".

271(2) By adding "or any of its subsidiaries" after "the company".

272 In the heading, by deleting "**Consequences of failing to comply with Division**" and substituting "**Failure to comply with Division does not affect validity of financial assistance, etc.**".

272	By deleting the note.
276(2)	In the definition of ***children***, by deleting "and illegitimate children" and substituting ", illegitimate children and children adopted in any manner recognized by the law of Hong Kong".
277(2)	By deleting the definition of ***child*** and substituting—
	"***child*** (子女) includes a step-child, an illegitimate child and a child adopted in any manner recognized by the law of Hong Kong;".
279(1)	By deleting paragraphs (c) and (d) and substituting—
	"(c) the aggregate amount of the assistance and any other financial assistance given under this section that has not been repaid does not exceed 5% of the paid up share capital and reserves of the company (as disclosed in the most recent audited financial statements of the company); and".
279(3)	In the Chinese text, by deleting "保證或抵押" (wherever appearing) and substituting "擔保或保證".
279(4)(d)	By deleting ", if quantifiable,".
279(5)	By deleting the note.
280(2)	By deleting the note.
281(4)	By deleting the note.
282(1)(a) and (b)	By deleting "10%" and substituting "5%".
282(4)(a)	In the English text, by deleting "is not" and substituting "is neither".
282(4)(a)(i)	In the English text, by deleting "or" and substituting "nor".

282(4)(b)(i)	By deleting "or" and substituting "and".
285(1)	By deleting "14" and substituting "15".
285(1)	By deleting the note.
286(1)	In the Chinese text, in the definition of ***分派***, in paragraph (b), by deleting "該".
288(4)(b)(iii)	In the Chinese text, by adding "該" before "公司".
288(8)	In the Chinese text, by adding "該" before "公司的活動的".
291(2)	In the Chinese text, by deleting "本條" and substituting "本部".
292	In the Chinese text, by adding "可" after "或對".
294(1)(a)	In the Chinese text, by deleting "小" and substituting "少".
295	In the Chinese text, by adding "其" before "已發行".
296(1)(a) and (b)	In the Chinese text, by deleting "禁制" and substituting "禁止".
297(1)(a)(ii) and (b)	In the Chinese text, by deleting "禁制" and substituting "禁止".
298	In the Chinese text, by deleting "禁制" and substituting "禁止".
299(2)	In the Chinese text, by deleting "禁制" and substituting "禁止".
299(3)(a)	In the Chinese text, by deleting "可分派的" and substituting "可分派".

299(3)(b)(ii) In the Chinese text, by deleting "債務" and substituting "負債".

299(4)(a) and (b) In the Chinese text, by deleting "可分派的" and substituting "可分派".

299 By adding—

"(5) In this section—

liabilities (負債) has the meaning given by section 270(1);

net assets (淨資產), in relation to a company that gives any financial assistance, means the amount by which the aggregate of the company's assets exceeds the aggregate of its liabilities (taking the amount of both assets and liabilities to be as stated in the company's accounting records immediately before the financial assistance is given);

net liabilities (淨負債), in relation to a company that gives any financial assistance, means the amount by which the aggregate of the company's liabilities exceeds the aggregate of its assets (taking the amount of both assets and liabilities to be as stated in the company's accounting records immediately before the financial assistance is given).".

300(8) In the Chinese text, by deleting "禁制" and substituting "禁止".

301(1) and (3)(b) In the Chinese text, by deleting "禁制" and substituting "禁止".

301(5) By deleting paragraphs (a) and (b) and substituting—

"(a) must be approved by the directors;

(b) must be signed by 2 directors on the directors' behalf; and

(c) must state the name of the directors who signed the statement on the directors' behalf.".

301(6) By deleting everything after "the Registrar" and substituting "for registration.".

302(4) By deleting paragraphs (a) and (b) and substituting—

"(a) must be approved by the directors;

(b) must be signed by 2 directors on the directors' behalf; and

(c) must state the name of the directors who signed the statement on the directors' behalf.".

302(7) By deleting everything after "the Registrar" and substituting "for registration.".

302(8) In the Chinese text, by deleting "禁制" and substituting "禁止".

303 By deleting subclause (2).

305 By deleting the clause and substituting—

"**305. Place where register must be kept**

(1) A company must keep its register of debenture holders at—

(a) the company's registered office; or

(b) a place prescribed by regulations made under section 648.

(2) A company must notify the Registrar of the place at which the register of debenture holders is kept. The notice must be in the specified form and delivered to the Registrar for registration within 15 days after the register is first kept at that place.

(3) A company must notify the Registrar of any change (other than a change of the address of the company's registered office) in the place at which the register of debenture holders is kept. The notice must be in the specified form and delivered to the Registrar for registration within 15 days after the change.

(4) Subsection (2) does not require a company to notify the Registrar of the place at which the register of debenture holders is kept—

(a) if, in the case of a register that came into existence on or after the commencement date of this Division, it has at all times been kept at the company's registered office; or

(b) if—

(i) immediately before that commencement date, the company kept a register for the purposes of section 74A of the predecessor Ordinance; and

(ii) on and after that commencement date, that register is kept as a register of debenture holders for the purposes of section 304(1) at the place at which it was kept immediately before that commencement date.

(5) If a company contravenes subsection (1), (2) or (3), the company, and every responsible person of the company, commit an offence, and each is liable to a fine at level 4 and, in the case of a continuing offence, to a further fine of $700 for each day during which the offence continues.".

306 By deleting subclauses (1), (2), (3), (4), (5), (6), (7) and (8) and substituting—

"(1) A member of a company is entitled, on request made in the prescribed manner and without charge, to inspect the register of debenture holders of the company in accordance with regulations made under section 648.

(2) A person who is registered in the register as a debenture holder of the company is entitled, on request made in the prescribed manner and without charge, to inspect the register in accordance with regulations made under section 648.

(3) Any other person is entitled, on request made in the prescribed manner and on payment of a prescribed fee, to inspect the register in accordance with regulations made under section 648.

(4) A person is entitled, on request and on payment of a prescribed fee, to be provided with a copy of the register of debenture holders of a company, or any part of it, in accordance with regulations made under section 648.

(5) A debenture holder of a company or the trustee for all debenture holders of a company is entitled, on request and on payment of a prescribed fee, to be provided with a copy of any trust deed or any other document securing the issue of the debentures in accordance with regulations made under section 648.".

307 By deleting the clause.

309(2) and (3) By deleting "14" and substituting "15".

310(1) By deleting "in this section called".

310 By deleting subclause (3) and substituting—

"(3) A company that keeps a branch register—

(a) must cause a duplicate of it to be kept at the place at which the company's principal register is kept; and

(b) must, within 15 days after an entry is made in the branch register—

(i) transmit a copy of the entry to its registered office; and

(ii) update the duplicate of the branch register.".

312(3) By deleting "14" and substituting "15".

313(6) In the Chinese text, by deleting "情況下具" and substituting "情況下，具".

319(1)(b) In the Chinese text, by adding "具" after "債權股證".

322 In the Chinese text, by adding "獲得" after "轉讓或".

324(1) In the Chinese text, by deleting "並不" and substituting "不會".

325 By adding—

"(5A) If a person gives the debentures in evidence in any proceedings for enforcing the person's security under subsection (5), the stamp duty and penalty payable under the Stamp Duty Ordinance (Cap. 117) in respect of the reissue of the debentures are to be paid by the company.".

325(6)	By deleting "Subsection (5) does" and substituting "Subsections (5) and (5A) do".
325	By deleting subclause (7).
329(2)(b)(i) and (4)	In the Chinese text, by deleting "不少於" and substituting "最少".
330	By deleting the clause.
331(4)(a)(ii)	By adding "registered" before "non-Hong".
331(5)(a)	In the Chinese text, by deleting "設定" and substituting "設立".
332	By deleting the clause.
334(1), (3)(a) and (5)(a)(ii)	In the Chinese text, by deleting "該項押記的設立" and substituting "有該項押記".
335(1) and (3)(a)	In the Chinese text, by deleting "該項押記的設立" and substituting "有該項押記".
336(2)	In the English text, by adding "registered" after "of the company or".
336(5)	In the Chinese text, by deleting "契約" and substituting "責任".
337(2) and (3)(b)	In the Chinese text, by deleting "該項押記的設立" and substituting "有該項押記".

338(3)	In the Chinese text, by deleting "該項押記的設立" and substituting "有該項押記".
339(2)	In the Chinese text, by deleting "該項押記的設立" and substituting "有該項押記".
340(1)(c)	By adding "required to be" before "delivered".
340	By deleting subclause (5) and substituting— "(5) A statement of the particulars of an issue of debentures must be in the specified form.".
340	By deleting subclause (7).
340(8)	In the English text, by adding "registered" after "of the company or".
341(1)(b)(i)	In the Chinese text, by deleting "押記的設立" and substituting "有押記".
341	By deleting subclauses (7) and (8) and substituting— "(7) A statement of the particulars of any commission, allowance or discount must be in the specified form.".
342(1)	In the English text, by adding "registered" after "of the company or".
344(1)(b)(ii) and (2)	In the Chinese text, by deleting "不再是" and substituting "不再構成".
344(2)	In the Chinese text, by deleting "告知" and substituting "通知".
344(3)(c) and (4)	In the Chinese text, by deleting "不再是" and substituting "不再構成".
345	By deleting subclause (5).

346(4) By deleting the note.

Part 8, Division 6 In the heading, in the Chinese text, by deleting "**保證**" and substituting "**抵押**".

349(4) By deleting "14" and substituting "15".

350(4)(a) and (b) By deleting "14" and substituting "15".

350(4)(a) and (b) In the Chinese text, by deleting "告知" and substituting "通知".

350 By deleting subclause (6) and substituting—

"(6) Subsection (4)(a) does not require a company or registered non-Hong Kong company to notify the Registrar of the place at which a copy of an instrument is kept—

(a) if, in the case of a copy that came into existence on or after the commencement date of this section, it has at all times been kept at the company's registered office, or the registered non-Hong Kong company's principal place of business in Hong Kong; or

(b) if—

(i) immediately before that commencement date, the company or registered non-Hong Kong company kept a copy of the instrument for the purposes of section 88 of the predecessor Ordinance; and

(ii) on and after that commencement date, that copy is kept for the purposes of subsection (1) or (2) at the place at which it was kept immediately before that commencement date.".

350(7) In the English text, by adding "registered" after "of the company or".

352(5) In the Chinese text, by deleting "該人員".

353 By deleting the clause and substituting—

"**353. Notification of place where register of charges is kept**

(1) A company or registered non-Hong Kong company must notify the Registrar of the place at which the register of charges is kept. The notice must be in the specified form and delivered to the Registrar for registration within 15 days after the register is first kept at that place.

(2) A company or registered non-Hong Kong company must notify the Registrar of any change (other than a change of the address of the company's registered office or registered non-Hong Kong company's principal place of business in Hong Kong) in the place at which the register of charges is kept. The notice must be in the specified form and delivered to the Registrar for registration within 15 days after the change.

(3) Subsection (1) does not require a company or registered non-Hong Kong company to notify the Registrar of the place at which the register of charges is kept—

(a) if, in the case of a register that came into existence on or after the commencement date of this section, it has at all times been kept at—

(i) the company's registered office; or

(ii) the registered non-Hong Kong company's principal place of business in Hong Kong; or

(b) if—

(i) immediately before that commencement date, the company or registered non-Hong Kong company kept a register for the purposes of section 89 of the predecessor Ordinance; and

(ii) on and after that commencement date, that register is kept as a register of charges for the purposes of section 351(1) or 352(1) at the place at which it was kept immediately before that commencement date.

(4) If subsection (1) or (2) is contravened, the company or registered non-Hong Kong company, and every responsible person of the company or registered non-Hong Kong company, commit an offence, and each is liable to a fine at level 4 and, in the case of a continuing offence, to a further fine of $700 for each day during which the offence continues.".

354 By deleting the clause and substituting—

"**354. Right to inspect**

(1) A member or creditor of a company is entitled, on request made in the prescribed manner and without charge, to inspect, in accordance with regulations made under section 648—

(a) the copies kept by the company under section 350(1); and

(b) the register of charges kept by the company under section 351(1).

(2) A member or creditor of a registered non-Hong Kong company is entitled, on request made in the prescribed manner and without charge, to inspect, in accordance with regulations made under section 355—

(a) the copies kept by the company under section 350(2); and

(b) the register of charges kept by the company under section 352(1).

(3) Any other person is entitled, on request made in the prescribed manner and on payment of a prescribed fee, to inspect, in accordance with regulations made under section 355 or 648—

(a) the copies kept by a company or registered non-Hong Kong company under section 350(1)(a) or (2)(a); and

(b) the register of charges kept by a company or registered non-Hong Kong company under section 351(1) or 352(1).

(4) In this section—

prescribed (訂明) means prescribed by regulations made under section 355 or 648.".

355(1)(a)(i) and (ii) In the Chinese text, by deleting "備存" and substituting "須備存".

355(1) By deleting paragraph (b) and substituting—

"(b) providing for the obligations of a registered non-Hong Kong company to make the copies and the register available for inspection under section 354;".

355(2) By deleting paragraphs (c), (d) and (e) and substituting—

"(c) provide that section 350 or 352 is not complied with by keeping the copies, or the register of charges, at a place prescribed in the regulations unless conditions prescribed in the regulations are met; and

(d) prescribe more than one place for the purpose specified in subsection (1)(a)(i) or (ii).".

355(3) By deleting paragraph (a) and substituting—

"(a) make provision as to the time, duration and manner of inspection;

(ab) precribe the manner in which a request for inspection is to be made; and".

355(4) In the Chinese text, by deleting "規例可" and substituting "規例".

355(4)(a) and (b) In the Chinese text, by adding "可" before "規定".

355(4) By deleting paragraphs (c), (d) and (e) and substituting—

"(c) the Court may, in prescribed circumstances—

(i) by order compel an immediate inspection of the copies and the register of charges; and

(ii) make any order as to the time, duration and manner of inspection; and

(d) if the copies, or the register of charges, are kept at the office of a person other than the registered non-Hong Kong company concerned, an order mentioned in paragraph (c) may be made against that other person and that other person's officers and other employees.".

357(1) By adding—

"(ca) section 380A;".

357(3) By adding—

"(ba) section 377A;".

357(8) In the Chinese text, by deleting "已".

357(13) In the Chinese text, by adding "的財務報表" after "年度".

358 By deleting subclause (1) and substituting—

"(1) For the purposes of this Part, a company falls within the reporting exemption for a financial year—

(a) if—

(i) it is qualified as a small private company or small guarantee company for the financial year; and

(ii) it is not a company specified in subsection (4) at any time during the financial year;

(b) if—

(i) it is a private company at all times, and is not a company specified in subsection (4) at any time, during the financial year;

(ii) it does not have any subsidiary and is not a subsidiary of another company; and

(iii) all members of the company agree in writing that the company is to fall within the reporting exemption for the financial year only; or

(c) if—

(i) it is a private company at all times, and is not a company specified in subsection (4) at any time, during the financial year;

(ii) it is qualified as an eligible private company for the financial year; and

(iii) the conditions specified in section 358A(1) are satisfied.".

358(2) By deleting paragraph (c) and substituting—

"(c) the group of companies—

(i) is qualified as a group of small private companies for the financial year; or

(ii) is qualified as a group of eligible private companies for the financial year and the conditions specified in section 358A(2) are satisfied.".

358(4)(c)(ii) In the Chinese text, by adding "務" after "銀行業".

New By adding—

"**358A. Conditions specified for section 358(1)(c)(iii) and (2)(c)(ii)**

(1) The conditions specified for the purposes of section 358(1)(c)(iii) are—

(a) subject to subsection (3), a resolution is passed at a general meeting by the members holding at least 75% of the voting rights in the company to the effect that the company is to fall within the reporting exemption for the financial year; and

(b) the members holding the remaining voting rights do not vote against the resolution.

(2) The conditions specified for the purposes of section 358(2)(c)(ii) are—

(a) if the group of companies is not qualified as a group of small private companies for the financial year by reason only that the condition specified in section 1(5) of Schedule 3 is not satisfied in the relevant financial year or financial years—

(i) subject to subsection (3), a resolution is passed at a general meeting by the members holding at least 75% of the voting rights in each company in the group that is not qualified as a small private company to the effect that the company is to fall within the reporting exemption for the financial year; and

(ii) the members holding the remaining voting rights do not vote against the resolution;

Note—

A group of companies is qualified as a group of small private companies if it falls within section 361(1), (2) or (3).

(b) if the group of companies is not qualified as a group of small private companies for the financial year by reason only that any 2 of the conditions specified in section 1(6) of Schedule 3 are not satisfied in the relevant financial year or financial years—

(i) subject to subsection (3), a resolution is passed at the general meeting by the members holding at least 75% of the voting rights in the holding company to the effect that the holding company is to fall within the reporting exemption for the financial year; and

(ii) the members holding the remaining voting rights do not vote against the resolution; or

(c) if the group of companies is not qualified as a group of small private companies for the financial year by reason that both the condition specified in section 1(5) of Schedule 3 and any 2 of the conditions specified in section 1(6) of that Schedule are not satisfied in the relevant financial year or financial years—

(i) subject to subsection (3), a resolution is passed at a general meeting by the members holding at least 75% of the voting rights in each company in the group that is not qualified as a small private company, and in the holding company, to the effect that the company is to fall within the reporting exemption for the financial year; and

(ii) the members holding the remaining voting rights do not vote against the resolution.

(3) If—

(a) a resolution is passed for the purposes of subsection (1)(a) or (2)(a)(i), (b)(i) or (c)(i) to the effect that a company is to fall within the reporting exemption for a financial year;

(b) by notice in writing to the company, a member objects to the company falling within the reporting exemption for the financial year; and

(c) the notice is given at least 6 months before the end of the financial year to which the objection relates,

the resolution is regarded as not being passed in relation to the financial year to which the objection relates.

(4) Within 14 days after receiving a notice under subsection (3)(b), a company must notify its members of the objection.

(5) Special notice is required for a resolution mentioned in subsection (1)(a) or (2)(a)(i), (b)(i) or (c)(i).

Note—

See also section 568 which sets out the requirements regarding special notice.".

New By adding—

"**359A. Eligible private company**

(1) For the purposes of this Part, if a company is a private company formed and registered under this Ordinance, and any 2 of the conditions specified in section 1(2A) of Schedule 3 are satisfied in its first financial year, the company is qualified as an eligible private company for that first financial year, and every subsequent financial year, until it is disqualified under subsection (4).

(2) For the purposes of this Part, if a company is an existing private company, and any 2 of the conditions specified in section 1(2A) of Schedule 3 are satisfied—

(a) in its first financial year after the coming into operation of this section; or

(b) in the financial year of the company for the purposes of the predecessor Ordinance that immediately precedes that first financial year,

the company is qualified as an eligible private company for that first financial year, and every subsequent financial year, until it is disqualified under subsection (4).

(3) For the purposes of this Part, if—

(a) a company is a private company; and

(b) after its first financial year after the coming into operation of this section, any 2 of the conditions specified in section 1(2A) of Schedule 3 are satisfied for 2 consecutive financial years,

the company is also qualified as an eligible private company for the financial year immediately following those 2 financial years, and every subsequent financial year, until it is disqualified under subsection (4).

(4) For the purposes of this Part, if, after a company is qualified as an eligible private company under subsection (1), (2) or (3), any 2 of the conditions specified in section 1(2B) of Schedule 3 are not satisfied for 2 consecutive financial years, the company is disqualified as an eligible private company for the financial year immediately following those 2 financial years, and every subsequent financial year, until it is qualified again under subsection (3).".

New By adding—

"361A. Group of eligible private companies

(1) For the purposes of this Part, if—

(a) the holding company of a group of companies is formed and registered under this Ordinance; and

(b) the condition specified in section 1(7A) of Schedule 3, and any 2 of the conditions specified in section 1(7B) of that Schedule, are satisfied in the holding company's first financial year,

the group is qualified as a group of eligible private companies for that first financial year, and every subsequent financial year, until it is disqualified under subsection (4) or (5).

(2) For the purposes of this Part, if—

(a) the holding company of a group of companies is an existing company; and

(b) the condition specified in section 1(7A) of Schedule 3, and any 2 of the conditions specified in section 1(7B) of that Schedule, are satisfied—

(i) in the holding company's first financial year after the coming into operation of this section; or

(ii) in the holding company's financial year for the purposes of the predecessor Ordinance that immediately precedes that first financial year,

the group is qualified as a group of eligible private companies for that first financial year, and every subsequent financial year, until it is disqualified under subsection (4) or (5).

(3) For the purposes of this Part, if, after the first financial year of the holding company of a group of companies after the coming into operation of this section, the condition specified in section 1(7A) of Schedule 3, and any 2 of the conditions specified in section 1(7B) of that Schedule, are satisfied for 2 consecutive financial years of the holding company, the group is also qualified as a group of eligible private companies for the financial year immediately following those 2 financial years, and every subsequent financial year, until it is disqualified under subsection (4) or (5).

(4) For the purposes of this Part, if, after a group of companies is qualified as a group of eligible private companies under subsection (1), (2) or (3), another company becomes a new member of the group in a financial year of the holding company such that either the condition specified in section 1(7A) of Schedule 3 is not satisfied, or any 2 of the conditions specified in section 1(7C) of that Schedule are not satisfied, for the financial year, the group is disqualified as a group of eligible private companies for the financial year, and every subsequent financial year, until it is qualified again under subsection (3).

(5) For the purposes of this Part, if, after a group of companies is qualified as a group of eligible private companies under subsection (1), (2) or (3), either the condition specified in section 1(7A) of Schedule 3 is not satisfied, or any 2 of the conditions specified in section 1(7C) of that Schedule are not satisfied, for 2 consecutive financial years of the holding company, the group is also disqualified as a group of eligible private companies for the financial year immediately following those 2 financial years, and every subsequent financial year, until it is qualified again under subsection (3).".

363(1) By deleting everything after "that period" and substituting a full stop.

363(2) By deleting everything after "is determined" and substituting a full stop.

363 By adding—

"(5) In this section—

undertaking (企業) means—

(a) a body corporate;

(b) a partnership; or

(c) an unincorporated association carrying on a trade or business, whether for profit or not.".

365 By deleting subclauses (1) and (2) and substituting—

"(1) For an existing company formed and registered before the commencement date of Division 1 of Part 3, the primary accounting reference date is—

(a) the date up to which the company's accounts are made if, on or after the commencement date of this section, the company's accounts—

(i) have been laid before the company in general meeting under section 122 of the predecessor Ordinance having a continuing effect under Schedule 10; or

(ii) have been provided to the members under section 111(6) of the predecessor Ordinance having a continuing effect under Schedule 10; or

(b) if, on or after the commencement date of this section, such company's accounts have not been laid or provided as mentioned in paragraph (a)(i) or (ii)—

(i) in the case where such accounts have been prepared on or before the date by which the company is required by section 111(1) of the predecessor Ordinance having a continuing effect under Schedule 10 to hold a general meeting, the date up to which those accounts are made;

(ii) in the case where subparagraph (i) does not apply, but accounts made up to a date falling more than one day before the commencement date of this section have been prepared on or before the date by which the company is required by that section 111(1) to hold a general meeting, the first anniversary of the date up to which those accounts are made; or

(iii) in any other case, the date by which the company is required by that section 111(1) to hold a general meeting.

(2) Subsection (1)(a) and (b)(i) does not apply if those accounts are made up to a date falling more than one day before the commencement date of this section.".

365 By adding—

"(3A) Subsection (1)(b)(ii) does not apply if those accounts are made up to a date falling more than one day before the beginning of the period of 12 months before the commencement date of this section.".

367(2) By deleting "14" and substituting "15".

369 By deleting subclause (5) and substituting—

"(5) A director of a company who fails to take all reasonable steps to secure compliance with subsection (1) or (4) commits an offence and is liable to a fine of $300,000.

(5A) A director of a company who wilfully fails to take all reasonable steps to secure compliance with subsection (1) or (4) commits an offence and is liable to a fine of $300,000 and to imprisonment for 12 months.".

369 By deleting subclause (6) and substituting—

"(6) If a person is charged with an offence under subsection (5), it is a defence to establish that the person had reasonable grounds to believe, and did believe, that a competent and reliable person—

(a) was charged with the duty of ensuring that subsection (1) or (4) (as the case may be) was complied with; and

(b) was in a position to discharge that duty.".

370 By deleting subclause (4) and substituting—

"(4) A director of a company who fails to take all reasonable steps to secure compliance with subsection (1), (2) or (3) commits an offence and is liable to a fine of $300,000.

(4A) A director of a company who wilfully fails to take all reasonable steps to secure compliance with subsection (1), (2) or (3) commits an offence and is liable to a fine of $300,000 and to imprisonment for 12 months.".

370 By deleting subclause (5) and substituting—

"(5) If a person is charged with an offence under subsection (4), it is a defence to establish that the person had reasonable grounds to believe, and did believe, that a competent and reliable person—

(a) was charged with the duty of ensuring that subsection (1), (2) or (3) (as the case may be) was complied with; and

(b) was in a position to discharge that duty.".

371 By deleting subclauses (5), (6) and (7) and substituting—

"(5) If any accounting records are kept by a company by recording the information in electronic form, a requirement under this Subdivision for the accounting records to be open to inspection is to be regarded as a requirement—

(a) for a reproduction of the recording in hard copy form to be open to inspection; and

(b) for the recording to be open to inspection by electronic means at the request of a person entitled to inspect the accounting records.

(6) A director of a company who fails to take all reasonable steps to secure compliance with subsection (1) or (2) commits an offence and is liable to a fine at level 5 and, in the case of a continuing offence, to a further fine of $1,000 for each day during which the offence continues.

(7) If a person is charged with an offence under subsection (6), it is a defence to establish that the person had reasonable grounds to believe, and did believe, that a competent and reliable person—

(a) was charged with the duty of ensuring that subsection (1) or (2) (as the case may be) was complied with; and

(b) was in a position to discharge that duty.".

372(5) By deleting ", (3) or (4)".

372 By adding—

"(6) If subsection (3) or (4) is contravened, the company, and every responsible person of the company, commit an offence, and each is liable to a fine at level 3.".

373 By deleting subclause (3) and substituting—

"(3) A director of a company who fails to take all reasonable steps to secure compliance with subsection (2) commits an offence and is liable to a fine of $300,000.

(4) A director of a company who wilfully fails to take all reasonable steps to secure compliance with subsection (2) commits an offence and is liable to a fine of $300,000 and to imprisonment for 12 months.

(5) If a person is charged with an offence under subsection (3), it is a defence to establish that the person had reasonable grounds to believe, and did believe, that a competent and reliable person—

(a) was charged with the duty of ensuring that subsection (2) was complied with; and

(b) was in a position to discharge that duty.".

375(3)(b)(iii) In the Chinese text, by deleting "最少3個月前" and substituting "3個月".

375(6)(b) In the Chinese text, by deleting "居於能夠執行該責任的位置" and substituting "能夠執行該責任".

376(8)(a) By adding "or specified" after "issued".

376 By adding—

"(9) This section has effect subject to section 377A.".

377 By adding—

"(4) This section has effect subject to section 377A.".

New By adding—

"377A. Provisions supplementary to sections 376 and 377

(1) This section applies if at any time during a financial year of a private company—

(a) the company registers any transfer of shares in the company in contravention of the restrictions imposed by the company's articles;

(b) the membership of the company exceeds the number specified in section 10(1)(a)(ii); or

(c) the company makes an invitation to the public to subscribe for any shares or debentures of the company.

(2) The financial statements of the company for the financial year must comply with sections 376 and 377 as if the company were a public company.

(3) The Court may, on the application of the company or a person interested in the matter, order that subsections (1) and (2) do not apply.

(4) The Court may make the order on any terms and conditions that the Court thinks just and expedient.

(5) The Court must not make the order unless the Court is satisfied that—

(a) the occurrence of the event mentioned in subsection (1)(a), (b) or (c) was accidental;

(b) it was due to inadvertence or to some other sufficient cause that the event occurred; or

(c) it is just and equitable to grant the relief on other grounds.".

378 By deleting subclauses (1) and (2) and substituting—

"(1) The financial statements for a financial year must contain, in the notes to the statements, the information prescribed by the Regulation for the purposes of this subsection about the following—

(a) the directors' emoluments;

(b) the directors' retirement benefits;

(c) payments made or benefit provided in respect of the termination of the service of directors, whether in the capacity of directors or in any other capacity while directors;

(d) loans, quasi-loans and other dealings in favour of—

(i) directors of the company and of a holding company of the company;

(ii) bodies corporate controlled by such directors; and

(iii) entities connected with such directors;

(e) material interests of directors in transactions, arrangements or contracts entered into by the company or another company in the same group of companies;

(f) consideration provided to or receivable by third parties for making available the services of a person as director or in any other capacity while director.

(1A) In subsection (1)—

(a) a reference to a director—

(i) in the case of subsection (1)(b), includes a former director;

(ii) in the case of subsection (1)(c) includes a former director and shadow director; and

(iii) in the case of subsection (1)(d) and (e), includes a shadow director;

(b) a reference to a body corporate controlled by a director has the meaning given by section 482A; and

(c) a reference to an entity connected with a director has the meaning given by section 477.

(2) Despite subsection (1)(d), the financial statements for a financial year are not required to contain the information prescribed by the Regulation for the purposes of that subsection if the company complies with the requirements prescribed by the Regulation for the purposes of this subsection.".

New By adding—

"378A. Register of particulars not required to be contained in notes to financial statements

(1) A company must enter into a register the particulars that would, but for section 378(2), be required by section 378(1)(d) to be contained in the notes to the financial statements for a financial year.

(2) A company must keep the particulars in the register for at least 10 years after the date on which the particulars are entered.

(3) If a company contravenes subsection (1) or (2), the company, and every responsible person of the company, commit an offence, and each is liable to a fine at level 4.

378B. Place where register mentioned in section 378A must be kept

(1) A company must keep the register mentioned in section 378A at—

(a) the company's registered office; or

(b) a place prescribed by regulations made under section 648.

(2) A company must notify the Registrar of the place at which the register mentioned in section 378A is kept. The notice must be in the specified form and be delivered to the Registrar for registration within 15 days after the register is first kept at that place.

(3) A company must notify the Registrar of any change (other than a change of the address of the company's registered office) in the place at which the register mentioned in section 378A is kept. The notice must be in the specified form and be delivered to the Registrar for registration within 15 days after the change.

(4) Subsection (2) does not require a company to notify the Registrar of the place at which the register mentioned in section 378A is kept—

(a) if, in the case of a register that came into existence on or after the commencement date of this section, it has at all times been kept at the company's registered office; or

(b) if—

(i) immediately before that commencement date, the company kept a register for the purposes of section 161BB of the predecessor Ordinance; and

(ii) on and after that commencement date, that register is kept as a register for the purposes of section 378A at the place at which that registrar was kept immediately before that commencement date.

(5) If a company contravenes subsection (1), (2) or (3), the company, and every responsible person of the company, commit an offence, and each is liable to a fine at level 4 and, in the case of a continuing offence, to a further fine of $700 for each day during which the offence continues.

378C. Right to inspect and request copy

(1) A member of a company is entitled, on request made in the prescribed manner and without charge, to inspect the register kept by the company under section 378A in accordance with regulations made under section 648.

(2) A member of a company is entitled, on request and on payment of a prescribed fee, to be provided with a copy of the register kept by the company under section 378A, or any part of it, in accordance with regulations made under section 648.

(3) In this section—

prescribed (訂明) means prescribed by regulations made under section 648.".

379 By adding—

"(1A) Every copy of a statement of financial position that forms part of any financial statements laid before a company in general meeting under section 420, or sent to a member under section 421 or otherwise circulated, published or issued by the company, must state the name of the person who signed

the statement on the directors' behalf.".

379 By adding—

"(3) If subsection (1A) is contravened, the company, and every responsible person of the company, commit an offence, and each is liable to a fine at level 4.".

380(1)(a) and (2)(a) By deleting "section 381" and substituting "sections 381 and 533(2)".

380 By adding—

"(4A) Subsections (1), (2) and (3) have effect subject to section 380A.".

380(7)(b) In the Chinese text, by deleting "居於能夠執行該責任的位置" and substituting "能夠執行該責任".

New By adding—

"380A. Provisions supplementary to section 380

(1) This section applies if at any time during a financial year of a private company—

(a) the company registers any transfer of shares in the company in contravention of the restrictions imposed by the company's articles;

(b) the membership of the company exceeds the number specified in section 10(1)(a)(ii); or

(c) the company makes an invitation to the public to subscribe for any shares or debentures of the company.

(2) The directors' report for the financial year is required to comply with section 380 as if the company were a public company.

(3) The Court may, on the application of the company or a person interested in the matter, order that subsections (1) and (2) do not apply.

(4) The Court may make the order on any terms and conditions that the Court thinks just and expedient.

(5) The Court must not make the order unless the Court is satisfied that—

(a) the occurrence of the event mentioned in subsection (1)(a), (b) or (c) was accidental;

(b) it was due to inadvertence or to some other sufficient cause that the event occurred; or

(c) it is just and equitable to grant the relief on other grounds.".

382 By deleting subclause (3) and substituting—

"(3) If, as respects any directors' report a copy of which is circulated, published or issued by the company, subsection (1) is contravened, the company, and every responsible person of the company, commit an offence, and each is liable to a fine at level 4.

(4) If subsection (2) is contravened, the company, and every responsible person of the company, commit an offence, and each is liable to a fine at level 4.".

384(2) In the Chinese text, by deleting "不具有" (wherever appearing) and substituting "喪失".

386(2) In the Chinese text, by deleting "按規定".

386(3) In the Chinese text, by deleting "無需" and substituting "無須".

387(2) and (3)(a) In the Chinese text, by deleting "無需" and substituting "無須".

387(6) In the Chinese text, by deleting "須" and substituting "可".

389(1)(a) In the Chinese text, by deleting "按規定".

389(1)(b) In the Chinese text, by deleting "無需" and substituting "無須".

391(1) By adding—

"**Note**—

See also section 568 which sets out the requirements regarding special notice.".

394(1)(a) In the Chinese text, by deleting "無需" and substituting "無須".

394(3) By adding—

"**Note**—

See also section 568 which sets out the requirements regarding special notice.".

396 In the heading, in the Chinese text, by deleting "**提交**" and substituting "**擬備**".

399 By deleting subclauses (1) and (2) and substituting—

"(1) If a statement required to be contained in an auditor's report under section 398(2)(b) or (3) is omitted from the report, an offence is committed by each individual who—

(a) either—

(i) signs the auditor's report in accordance with section 400; or

(ii) performs managerial functions in relation to the auditing work in respect of the auditor's report under the immediate authority of the person mentioned in subparagraph (i); and

(b) knowingly or recklessly causes the statement to be omitted.".

401(4) By deleting paragraph (a) and substituting—

"(a) making a cessation statement, giving the statement to the company, and requesting the company to comply with the requirement specified in section 413(5) in relation to the statement; and".

404(3) By deleting paragraphs (a) and (b) and substituting—

"(a) the person makes a statement to an auditor of a company that conveys or purports to convey any information or explanation that the auditor requires, or is entitled to require, under section 403(2) or (4);

(b) the statement is misleading, false or deceptive in a material particular; and

(c) the person knows that, or is reckless as to whether or not, the statement is misleading, false or deceptive in a material particular.".

404 By adding—

"(5A) If a person is charged with an offence under subsection (5) for failing to obtain any information or explanation from a subsidiary undertaking or another person, it is a defence to establish that—

(a) it would be an offence under the law of a place outside Hong Kong for the subsidiary undertaking or that other person to provide the information or explanation to the defendant; and

(b) the subsidiary undertaking or that other person did not provide the information or explanation to the defendant on that ground.".

405(1) In the Chinese text, by deleting "並不" and substituting "不會".

406(6) By deleting paragraph (a) and substituting—

"(a) making a cessation statement, giving the statement to the company, and requesting the company to comply with the requirement specified in section 413(5) in relation to the statement; and".

408(3) By deleting "14" and substituting "15".

408(3) In the Chinese text, by deleting everything after "事實" and substituting "並符合指明格式的通知交付處長登記。".

409(1) By deleting paragraph (b) and substituting—

"(b) must notify the company of the cessation in writing within 14 days from the date of the cessation.".

410(2) By adding—

"**Note—**

See also section 568 which sets out the requirements regarding special notice.".

410(4) By deleting "14" and substituting "15".

413(1) By deleting paragraph (b) and substituting—

"(b) may request the company to comply with the requirement specified in subsection (5) in relation to the statement; and".

413(2) By deleting paragraph (b) and substituting—

"(b) may request the company to comply with the requirement specified in subsection (5) in relation to the statement; and".

413(3) By deleting paragraph (b) and substituting—

"(b) may request the company to comply with the requirement specified in subsection (5) in relation to the statement.".

413 By deleting subclauses (5) and (6) and substituting—

"(5) The requirement specified for the purposes of subsection (1)(b), (2)(b) or (3)(b) is—

(a) if the company receives the statement on a date that is more than 2 days before the last day on which notice may be given under section 561(1) to call the general meeting, the requirement—

(i) to state, in every notice of the meeting given to the members, that the statement has been made; and

(ii) to send a copy of the statement to every member to whom a notice of the meeting is or has been given; or

(b) if the company has not sent a copy of the statement to every member to whom a notice of the meeting is or has been given, the requirement to ensure that the statement is read out at the meeting.".

413 By deleting subclauses (7) and (8) and substituting—

"(7) Unless exempted by an order under subsection (8), the company must comply with a request made under subsection (1)(b), (2)(b) or (3)(b).

(8) On application by the company or by anyone who claims to be aggrieved, the Court may order that the company is exempted from complying with the request, if it is satisfied that the person who has given a statement and made a request under subsection (1)(a) and (b), (2)(a) and (b) or (3)—

(a) has abused the right to do so; or

(b) has used such a right to secure needless publicity for defamatory matter.".

414(4) By deleting "(5)(a)" and substituting "(5)".

414 By deleting subclause (5) and substituting—

"(5) On application by the company or by anyone who claims to be aggrieved, the Court may order that the company is exempted from complying with the requirement, if it is satisfied that the person who has given a statement and made a requirement under subsection (2)—

(a) has abused the right to do so; or

(b) has used such a right to secure needless publicity for defamatory matter.".

416(1) In the Chinese text, by adding "遭" before "終止核數師".

418(2) By adding "or is using the statement to secure needless publicity for defamatory matter" after "circumstances".

418(3) and (4) By deleting "14" and substituting "15".

418(4) In the Chinese text, by deleting "不繼續進行" and substituting "中止".

420(1) By deleting the note.

420 By adding—

"(1A) Subsection (1) does not apply in relation to a financial year in respect of which an annual general meeting is not required to be held under section 602.".

420 By deleting subclauses (2), (3) and (4) and substituting—

"(2) A director of a company who fails to take all reasonable steps to secure compliance with subsection (1) commits an offence and is liable to a fine of $300,000.

(3) A director of a company who wilfully fails to take all reasonable steps to secure compliance with subsection (1) commits an offence and is liable to a fine of $300,000 and to imprisonment for 12 months.

(4) If a person is charged with an offence under subsection (2)—

(a) it is a defence to establish that the person had reasonable grounds to believe, and did believe, that a competent and reliable person—

(i) was charged with the duty of ensuring that subsection (1) was complied with; and

(ii) was in a position to discharge that duty; and

(b) it is not a defence to establish that the financial statements or report was not in fact prepared as required by this Ordinance.".

421(3) In the Chinese text, by deleting "無需" and substituting "無須".

422 In the heading, by deleting "**publishing**" and substituting "**sending**".

423(2)(b) In the English text, by deleting "is" and substituting "are".

424 By deleting the clause.

New By adding—

"**425A. Company must send to non-voting members other documents**

(1) A company must, at the same time when it sends a copy of the reporting documents under section 421, send to every member who is not entitled to vote at a general meeting of the company—

(a) a copy of any document issued by the company and circulated by the company with a copy of the reporting documents under section 421; and

(b) a copy of any other document intended for the purpose of providing information about the company's affairs that is so circulated.

(2) If a company contravenes subsection (1), the company, and every responsible person of the company, commit an offence, and each is liable to a fine at level 5.".

426 By adding—

"(4) If a person is charged with an offence under subsection (3), it is a defence to establish that the member or member's personal representative (as the case may be) had previously made another demand for the document concerned and had been provided with a copy of the document.".

430(4)(b) In the Chinese text, by deleting "居於能夠執行該責任的位置" and substituting "能夠執行該責任".

431 By adding—

"(2A) If, as respect any summary financial report a copy of which is circulated, published or issued by the company, subsection (1) is contravened, the company, and every responsible person of the company, commit an offence, and each is liable to a fine at level 4.".

431(3) By deleting "(1) or".

433 In the Chinese text, by deleting subclauses (1), (2) and (3) and substituting—

"(1) 公司可知會每名成員或潛在成員向該公司發出第(3)款所指的意向通知。

(2) 向成員或潛在成員發出的知會 —

(a) 須以書面作出；及

(b) 須就某財政年度作出。

(3) 成員或潛在成員在回應知會時，可向公司發出意向通知 —

(a) 表示 —

(i) 要求獲得報告文件的文本或財務摘要報告的文本；或

(ii) 不要求獲得上述文本；及

(b) (如屬(a)(i)段的情況)要求該公司送交採用印本形式或電子形式的文本，或藉在網站上提供該文本的方式送交該文本。".

433 By adding—

"(3A) A member or potential member may only make a request under subsection (3)(b) in response to a notification for a copy of the reporting documents or a copy of the summary financial report to be sent in electronic form or by making it available on a website if the company has given, in the notification, the member or potential member an option to request the copy to be so sent.".

433(7) In the Chinese text, by deleting "公司根據第(1)款發出的通知" and substituting "知會".

434(1)(d) and (3)(d) In the Chinese text, by deleting "在網站上提供該文本" and substituting "藉在網站上提供該文本的方式送交該文本".

434 By adding—

"(3A) A person may only state in a notice of revocation under subsection (1)(d), or a notice of cessation of statutory election under subsection (3)(d), that the person requests for a copy of the reporting documents or a copy of the summary financial report to be sent in electronic form or by making it available on a website if the company has given, in the notification under section 433(1) to which the notice relates, the person an option to request the copy to be so sent.".

436(4)(a) and (b) By deleting "at least" and substituting "after the expiry of a period of".

436 By adding—

"(7) If a company is charged with an offence under subsection (6), it is a defence to establish that it took all reasonable steps to secure compliance with subsection (1) or (2) (as the case may be).".

437(1) By adding "for the purposes of section 432(1)" after "financial report" (wherever appearing).

438(2)(b) In the English text, by deleting "transaction and" and substituting "transaction, and".

439(1)(a) In the Chinese text, by deleting "或" and substituting "及".

441 By deleting subclause (1) and substituting—

"(1) The Financial Secretary may make regulations—

(a) providing for the application of this Ordinance in relation to the financial statements, summary financial report or directors' report that has been revised under section 440; and

(b) providing for requirements in relation to revised financial statements, summary financial report or directors' report.".

441(2)(b) By deleting "auditors of a company" and substituting "persons who prepare the auditor's report".

441(3)(a)(ii) and (b)(ii) By deleting "a continuing".

442 By deleting subclauses (1), (2), (3), (4) and (5) and substituting—

"The Financial Secretary may make regulations prescribing, for the purposes of section 378(2), a requirement that the financial statements for the financial year are to contain a statement showing the information about the matter mentioned in section 378(1)(d).".

449(2) By deleting paragraphs (b) and (c) and substituting—

"(b) subject to subsection (2A), the period within which the company must comply with the direction; and

(c) that a failure to comply with the direction is an offence under subsection (4).".

449 By adding—

"(2A) The period must not be less than one month or more than 3 months after the date on which the direction is given.

(2B) The Registrar may, before the end of the period specified in the direction, by notice in writing extend the period.".

449 By deleting subclause (3) and substituting—

"(3) The company must comply with the direction by making the necessary appointment or appointments before the end of the period specified in the direction, or, if the period is extended by the Registrar under subsection (2B), the extended period.".

449(4) By deleting "contravenes" and substituting "fails to comply with".

453 By deleting subclause (2) and substituting—

"(2) Subsection (1) does not, if the company is a private company, authorize the removal of a director who has held office for life since 31 August 1984.".

453(4) By adding—

"**Note**—

See also section 568 which sets out the requirements regarding special notice.".

454 By deleting subclauses (3), (4), (5) and (6) and substituting—

"(3) If notice is given of a resolution under section 453(4) to remove a director, the director—

(a) may make with respect to the resolution representations in writing to the company (not exceeding a reasonable length); and

(b) may request the company to comply with the requirement specified in subsection (4) in relation to the representations.

(4) The requirement specified for the purposes of subsection (3)(b) is—

(a) if the company receives the representations on a date that is more than 2 days before the last day on which notice may be given under section 561(1) to call the meeting, the requirement—

(i) to state, in every notice of the meeting given to the members, that the representations have been made; and

(ii) to send a copy of the representations to every member to whom a notice of the meeting is or has been given; or

(b) if the company has not sent a copy of the representations to every member to whom a notice of the meeting is or has been given, the requirement to ensure that the representations are read out at the meeting.

(5) Unless exempted by an order under subsection (6), the company must comply with a request made under subsection (3)(b).

(6) On application by the company or by anyone who claims to be aggrieved, the Court may order that the company is exempted from complying with the request, if it is satisfied that the person who has made representations and made a requirement under subsection (3)—

(a) has abused the right to do so; or

(b) has used such a right to secure needless publicity for defamatory matter.

(7) If the company contravenes subsection (5), the resolution passed under section 453(1) is void even though section 552(1) is complied with.".

456(6) By deleting "only because" and substituting "by reason only that".

460(2)(b)(iii) By deleting "or" at the end.

460(2)(b) By adding—

"(iiia) in defending civil proceedings brought on behalf of an associated company of the company by a member of the associated company or by a member of an associated company of the associated company, in which judgment is given against the director; or".

462 In the heading, by deleting "**available for inspection**".

462(2) By deleting "available for inspection".

462(4) By deleting "available for inspection".

462(4) By deleting "14" (wherever appearing) and substituting "15".

462 By adding—

"(4A) If a company contravenes subsection (2) or (3), the company, and every responsible person of the company, commit an offence, and each is liable to a fine at level 3.".

462(5) By deleting "(2), (3) or".

463 By deleting subclauses (1), (2), (3) and (4) and substituting—

"(1) A member of a company is entitled, on request made in the prescribed manner and without charge, to inspect, in accordance with regulations made under section 648, a copy of a permitted indemnity provision or a written memorandum kept by the company under section 462.

(2) A member of the company is entitled, on request and on payment of a prescribed fee, to be provided with a copy of the provision or memorandum in accordance with regulations made under section 648.".

464(5)(b) In the English text, by deleting "past" and substituting "former".

467(2) By deleting paragraphs (b) and (c) and substituting—

"(b) subject to subsection (2A), the period within which the company must comply with the direction; and

(c) that a failure to comply with the direction is an offence under subsection (4).".

467 By adding—

"(2A) The period must not be less than one month or more than 3 months after the date on which the direction is given.

(2B) The Registrar may, before the end of the period specified in the direction, by notice in writing extend the period.".

467 By deleting subclause (3) and substituting—

"(3) The company must comply with the direction by making the necessary appointment before the end of the period specified in the direction, or, if the period is extended by the Registrar under subsection (2B), the extended period.".

467(4) By deleting "contravenes" and substituting "fails to comply with".

472(2) By deleting "20" and substituting "10".

474(3) By deleting "20" and substituting "10".

474(6) By deleting everything after "level 3" and substituting a full stop.

475 By deleting the clause and substituting—

"**475. Interpretation**

(1) In this Division—

child (子女) includes a step-child, an illegitimate child and a child adopted in any manner recognized by the law of Hong Kong;

cohabitation relationship (同居關係) means a relationship between 2 persons (whether of the same sex or of the opposite sex) who live together as a couple in an intimate relationship;

director (董事) includes a shadow director.

(2) In this Division, a reference to a minor child is a reference to a child who is under 18 years of age.".

477(1) By deleting paragraphs (b) and (c) and substituting—

"(b) a person who is in a cohabitation relationship with the director or former director;

(c) a minor child of a person falling within paragraph (b) who—

(i) is not a child of the director or former director; and

(ii) lives with the director or former director;".

477(1)(f)(iii) and (2)(a)(iii) and (b)(i)(C) By deleting "or minor adopted child".

477(2)(b)(ii) By deleting ", child or adopted child" and substituting "or child".

478(b) By deleting "or adopted child".

479 In the heading, by deleting "**, or controlling,**".

479(1)(b) In the Chinese text, by deleting "大部分" and substituting "過半數".

479 By deleting subclauses (2) and (3) and substituting—

"(2) In this section, a reference to voting power the exercise of which is controlled by a director or former director, or by an entity specified in subsection (4), includes voting power the exercise of which is controlled by another body corporate if the director or former director, or any one or more of the specified entities, or the director or former director together with any one or more of the specified entities, are entitled to exercise, or control the exercise of, more than 50% of the voting power at any general meeting of that other body corporate.".

479(4) By deleting ", (2) and (3)" and substituting "and (2)".

479(4)(b) By deleting "or minor adopted child".

481 In the Chinese text, by deleting "宏旨" and substituting "重要".

482 In the Chinese text, by deleting subclause (2) and substituting—

"(2) 就本分部而言，縱使某法人團體的附屬公司的一眾董事或過半數董事，慣於按照該團體的指示或指令行事，該團體不會僅因此而視為其附屬公司的幕後董事。".

New By adding—

"**482A. Body corporate controlled by director**

(1) For the purposes of this Division, a body corporate is controlled by a director if—

(a) the director is entitled to exercise, or control the exercise of, more than 50% of the voting power at any general meeting of that body corporate; or

(b) the directors, or a majority of the directors, of that body corporate are accustomed to act in accordance with the directions or instructions of the director.

(2) In subsection (1), a reference to voting power the exercise of which is controlled by a director includes voting power the exercise of which is controlled by another body corporate if the director is entitled to exercise, or control the exercise of, more than 50% of the voting power at any general meeting of that other body corporate.".

485(1) By adding "a body corporate controlled by a director," after "to a director,".

485(1)(a) By adding ", controlled body corporate" after "the director".

485(1)(b) In the Chinese text, by adding "有關連" before "實體".

485(2) By adding ", a body corporate controlled by a director," after "for a director".

485(2)(a) and (b) By adding ", controlled body corporate" after "the director".

486 By deleting subclause (1) and substituting—

"(1) In this Division, a reference to the prescribed approval of the members of a company that enters into a transaction or arrangement, or the members of a holding company of the company, is a reference to an approval obtained by a resolution of those members—

(a) that is passed before the transaction or arrangement is entered into; and

(b) in respect of which the requirements specified in subsection (2) are met.".

486(3) By deleting "failure" and substituting "omission".

486(4)(a) In the Chinese text, by deleting "須為違反第491、492或493條" and substituting "為第491、492或493條的目的".

486(4)(b) In the Chinese text, by deleting "須為違反第494條" and substituting "為第494條的目的".

486(4)(c) In the Chinese text, by deleting "須為違反第495條" and substituting "為第495條的目的".

486(4)(c)(i) In the Chinese text, by deleting "關乎有關安排" and substituting "有關安排所關乎".

486(5) By deleting paragraph (a) and substituting—

"(a) in the case of a resolution for the purposes of section 491 or 492—

(i) one who is the controlled body corporate to whom the loan is proposed to be made or was made;

(ii) one who is the director—

(A) who controls that body corporate; or

(B) to whom the loan or quasi-loan is proposed to be made or was made; or

(iii) one who holds any shares in the company in trust for that controlled body corporate or director;".

486(5)(b) In the Chinese text, by deleting "須為違反第493條" and substituting "為第493條的目的".

486(5)(c) In the Chinese text, by deleting"須為違反第494條" and substituting "為第494條的目的".

486(5) By deleting paragraph (d) and substituting—

"(d) in the case of a resolution for the purposes of section 495—

(i) one who is the controlled body corporate, or connected entity, for whom the arrangement is proposed to be entered into or was entered into;

(ii) one who is the director—

(A) who controls that body corporate;

(B) with whom that entity is connected; or

(C) for whom the arrangement is proposed to be entered into or was entered into; or

(iii) one who holds any shares in the company in trust for that controlled body corporate, connected entity or director.".

486(7) By deleting paragraph (a) and substituting—

"(a) in the case of an arrangement mentioned in section 495(1)(a) or (2)(a), a reference to the transaction entered into with a director, a body corporate controlled by a director, or an entity connected with a director under the arrangement; or".

487(1)(b) By adding "the body corporate controlled by a director," after "of the director,".

487(3)(a) By adding ", a body corporate controlled by a director," after "into with a director".

488 By deleting the clause.

489(1) In the definition of ***total exposure amount***, by deleting paragraph (a) and substituting—

"(a) in relation to a company that is not a specified company, the aggregate of the amounts specified in subsection (2); or".

489(2)(b) and (c) By adding ", or to a body corporate controlled by such a director" before "(excluding the transaction".

489(3) By deleting paragraphs (b) and (c) and substituting—

"(b) the aggregate of the amounts outstanding at the time that transaction is entered into, in respect of the principal and interest or otherwise, on every loan and quasi-loan made by the company to, and every credit transaction entered into by the company as creditor for, a director of the company or of a holding company of the company, or a body corporate controlled by such a director, or an entity connected with such a director (excluding the transaction in question, and any loan, quasi-loan or credit transaction made or entered into with the prescribed approval mentioned in section 491, 492, 493 or 494 or by virtue of section 490, 496, 497, 498, 499, 502 or 503);

(c) the aggregate of the amounts representing the maximum liability of the company at that time under every guarantee given by the company, and in respect of every security provided by the company, in connection with any loan or quasi-loan made by any person to, or any credit transaction entered into by any person as creditor for, a director of the company or of a holding company of the company, or a body corporate controlled by such a director, or an entity connected with such a director (excluding the transaction in question, and any guarantee or security given or provided with the prescribed approval mentioned in section 491, 492, 493 or 494 or by virtue of section 490, 496, 497, 498, 499, 502 or 503); and".

489(4)(a) By deleting subparagraph (i) and substituting—

"(i) another person makes a questionable loan to—

(A) a director of the company or of a holding company of the company; or

(B) a body corporate controlled by such a director; and".

489(4) By deleting paragraph (b) and substituting—

"(b) an arrangement for an assignment to the company, or assumption by the company, of any rights, obligations or liabilities under a questionable loan made by another person to—

(i) a director of the company or of a holding company of the company; or

(ii) a body corporate controlled by such a director.".

489(5)(a) By deleting subparagraph (i) and substituting—

"(i) another person makes a questionable loan or quasi-loan to, or enters into a questionable credit transaction as creditor for—

(A) a director of the company or of a holding company of the company;

(B) a body corporate controlled by such a director; or

(C) an entity connected with such a director; and".

489(5)(b) By deleting subparagraphs (i) and (ii) and substituting—

"(i) a questionable loan or quasi-loan made by another person to—

(A) a director of the company or of a holding company of the company;

(B) a body corporate controlled by such a director; or

(C) an entity connected with such a director; or

(ii) a questionable credit transaction entered into by another person as creditor for—

(A) a director of the company or of a holding company of the company; or

(B) an entity connected with such a director.".

489(6) By deleting paragraph (a) and substituting—

"(a) a reference to a questionable loan or quasi-loan made by a person to a director of the company, a body corporate controlled by such a director, or an entity connected with such a director, under an arrangement is a reference to a loan or quasi-loan (as the case may be) that, if it had been made by the company on the date of the arrangement, would have been prohibited by section 491(1), 492(1) or 493(1) or would have been so prohibited in the absence of sections 500 and 501;".

489(6) By deleting paragraphs (c) and (d) and substituting—

"(c) a reference to a questionable loan or quasi-loan made by a person to a director of a holding company of the company, a body corporate controlled by such a director, or an entity connected with such a director, under an arrangement is a reference to a loan or quasi-loan (as the case may be) that, if it had been made by the company on the date of the arrangement, would have been prohibited by section 491(2), 492(2) or 493(2) or would have been so prohibited in the absence of sections 500 and 501; and

(d) a reference to a questionable credit transaction entered into by a person as creditor for a director of a holding company of the company, or an entity connected with such a director, under an arrangement is a reference to a credit transaction that, if it had been entered into by the company on the date of the arrangement, would have been prohibited by section 494(2) or would have been so prohibited in the absence of sections 500 and 501.".

491 In the heading, by adding "**or body corporate controlled by director**" after "**to director**".

491 By deleting subclauses (1) and (2) and substituting—

"(1) Without the prescribed approval of its members, a company must not—

(a) make a loan to—

(i) a director of the company; or

(ii) a body corporate controlled by such a director; or

(b) give a guarantee or provide security in connection with a loan made by any person to—

(i) a director of the company; or

(ii) a body corporate controlled by such a director.

(2) Without the prescribed approval of its members and the prescribed approval of the holding company's members, a company must not—

(a) make a loan to—

(i) a director of a holding company of the company; or

(ii) a body corporate controlled by such a director; or

(b) give a guarantee or provide security in connection with a loan made by any person to—

(i) a director of a holding company of the company; or

(ii) a body corporate controlled by such a director.".

492(1)(b) and (2)(b) In the Chinese text, by adding "等" after "該".

493 By renumber the clause as clause 493(1).

493(1)(b) In the Chinese text, by adding "等" after "該".

493 By adding—

"(2) Without the prescribed approval of its members and the prescribed approval of the holding company's members, a specified company must not—

(a) make a loan or quasi-loan to an entity connected with a director of a holding company of the company; or

(b) give a guarantee or provide security in connection with a loan or quasi-loan made by any person to an entity connected with such a director.

(3) Despite subsection (2)—

(a) a specified company may enter into the transaction with only the prescribed approval of its members if the holding company is incorporated outside Hong Kong; and

(b) a specified company may enter into the transaction with only the prescribed approval of the holding company's members if it is a wholly owned subsidiary of the holding company, and the holding company is incorporated in Hong Kong.".

494(1)(a)(ii) and (b) In the Chinese text, by adding "等" after "該" (wherever appearing).

494(2) By deleting paragraphs (a) and (b) and substituting—

"(a) enter into a credit transaction as creditor for—

(i) a director of a holding company of the company; or

(ii) an entity connected with such a director; or

(b) give a guarantee or provide security in connection with a credit transaction entered into by any person as creditor for such a director or an entity connected with such a director.".

495(1)(a) By deleting subparagraph (i) and substituting—

"(i) another person enters into a questionable transaction with a director of the company, a body corporate controlled by such a director, or an entity connected with such a director; and".

495(1) By deleting paragraph (b) and substituting—

"(b) arrange for an assignment to the company, or assumption by the company, of any rights, obligations or liabilities under a questionable transaction entered into by another person with—

(i) a director of the company;

(ii) a body corporate controlled by such a director; or

(iii) an entity connected with such a director.".

495(2)(a) By deleting subparagraph (i) and substituting—

"(i) another person enters into a questionable transaction with a director of a holding company of the company, a body corporate controlled by such a director, or an entity connected with such a director; and".

495(2) By deleting paragraph (b) and substituting—

"(b) arrange for an assignment to the company, or assumption by the company, of any rights, obligations or liabilities under a questionable transaction entered into by another person with—

(i) a director of a holding company of the company;

(ii) a body corporate controlled by such a director; or

(iii) an entity connected with such a director.".

495 By deleting subclause (4) and substituting—

"(4) In this section—

(a) a reference to a questionable transaction entered into by a person with a director of the company, a body corporate controlled by such a director, or an entity connected with such a director, under an arrangement is a reference to a transaction that, if it had been entered into by the company on the date of the arrangement, would have been prohibited by section 491(1), 492(1), 493(1) or 494(1) or would have been so prohibited in the absence of Subdivision 3; and

(b) a reference to a questionable transaction entered into by a person with a director of a holding company of the company, a body corporate controlled by such a director, or an entity connected with such a director, under an arrangement is a reference to a transaction that, if it had been entered into by the company on the date of the arrangement, would have been prohibited by section 491(2), 492(2), 493(2) or 494(2) or would have been so prohibited in the absence of Subdivision 3.".

496 In the heading, by deleting "**total**" and substituting "**net**".

496(1)(a) By deleting "total" and substituting "net".

496 By adding—

"(3) A transaction or arrangement is a relevant transaction or arrangement for the purposes of subsection (1)—

(a) if it is entered into before, or at the same time as, the transaction in question; and

(b) if—

(i) where the transaction in question is entered into for a director of the company, a body corporate controlled by such a director, or an entity connected with such a director, it is entered into for the director, controlled body corporate or connected entity by the company or a subsidiary of the company as permitted by subsection (1); or

(ii) where the transaction in question is entered into for a director of a holding company of the company, a body corporate controlled by such a director, or an entity connected with such a director, it is entered into for the director, controlled body corporate or connected entity by the holding company or a subsidiary of the holding company as permitted by subsection (1).

(4) Despite subsection (3), a transaction or arrangement is not a relevant transaction or arrangement for the purposes of subsection (1) if—

(a) it was entered into by a body corporate that, at the time it was entered into—

(i) was a subsidiary of the company entering into the transaction in question; or

(ii) was a subsidiary of a holding company of that company; and

(b) at the time the question arises as to whether the transaction in question falls within subsection (1), the body corporate is no longer such a subsidiary.".

497 By deleting the clause and substituting—

"**497. Exception for expenditure on company business**

(1) A company is not prohibited by section 491, 492, 493 or 494 from entering into any transaction to provide—

(a) a director of the company or of a holding company of the company;

(b) a body corporate controlled by such a director; or

(c) an entity connected with such a director,

with funds to meet expenditure specified in subsection (2) or to avoid incurring such expenditure.

(2) The expenditure is one incurred or to be incurred by the director, controlled body corporate or connected entity (as the case may be)—

(a) for the purposes of the company; or

(b) for the purpose of enabling the director, controlled body corporate or connected entity (as the case may be) to properly perform duties as an officer of the company.".

500(1)(a) By deleting subparagraphs (i) and (ii) and substituting—

"(i) a director of the company;

(ii) an employee of the company who is a director of a holding company of the company; or

(iii) an employee of the company who is an entity connected with a director of the company or of a holding company of the company;".

500(2)(a)(i) By deleting "total" and substituting "net".

501 By deleting subclause (1) and substituting—

"(1) If the conditions specified in subsection (2) are satisfied, a company is not prohibited by section 491, 492, 493 or 494 from leasing or hiring goods or leasing land to—

(a) a director of the company or of a holding company of the company;

(b) a body corporate controlled by such a director; or

(c) an entity connected with such a director.".

501(2)(a)(i) By deleting "total" and substituting "net".

503 By adding "491, 492," before "493".

504(1) By deleting paragraph (c) and substituting—

"(c) a person other than the director, controlled body corporate, or connected entity, for whom the transaction or arrangement was entered into acquired rights in good faith, for value, and without actual notice of the contravention, and those rights would be affected by the avoidance.".

504(3)(a) In the Chinese text, by deleting "安排的" and substituting "安排的、".

504(3) By deleting paragraphs (b) and (c) and substituting—

"(b) a body corporate controlled by such a director, or an entity connected with such a director, for whom the company entered into the transaction or arrangement;

(c) the director of the company who controls such a body corporate or with whom such an entity is connected;

(ca) the director of a holding company of the company who controls such a body corporate or with whom such an entity is connected; and".

504(4) By deleting paragraphs (a) and (b) and substituting—

"(a) the controlled body corporate or connected entity specified in subsection (3)(b) is not liable if the controlled body corporate or connected entity establishes that, at the time the transaction or arrangement was entered into, it was not aware of the circumstances constituting the contravention;

(b) the director specified in subsection (3)(c) or (ca) is not liable if the director establishes that the director took all reasonable steps to secure the company's compliance with section 491, 493, 494 or 495 (as the case may be); and".

505(5) By deleting "This section does" and substituting "Subsections (2), (3) and (4) do".

506(2) By deleting "failure" and substituting "omission".

506(4)(a) By deleting subparagraph (i) and substituting—

"(i) one who is the controlled body corporate to whom the loan is proposed to be made or was made;

(ia) one who is the director—

(A) who controls that body corporate; or

(B) to whom the loan or quasi-loan is proposed to be made or was made;".

506(4)(a) By deleting subparagraph (iii) and substituting—

"(iii) one who holds any shares in the company in trust for the director specified in subparagraph (ia) or (ii) or that controlled body corporate;".

506(4)(d) By deleting subparagraphs (i) and (ii) and substituting—

"(i) one who is the controlled body corporate, or connected entity, for whom the arrangement is proposed to be entered into or was entered into;

(ii) one who is the director—

(A) who controls that body corporate;

(B) with whom that entity is connected; or

(C) for whom the arrangement is proposed to be entered into or was entered into;".

506(4)(d) By deleting subparagraph (iv) and substituting—

"(iv) one who holds any shares in the company in trust for the director specified in subparagraph (ii) or (iii) or that controlled body corporate or connected entity.".

506(6) By deleting paragraph (a) and substituting—

"(a) in the case of an arrangement mentioned in section 495(1)(a) or (2)(a), a reference to the transaction entered into with a director, a body corporate controlled by a director, or an entity connected with a director under the arrangement; or".

507 In the Chinese text, by deleting subclause (5) and substituting—

"(5) 就本分部而言，縱使某法人團體的附屬公司的一眾董事或過半數董事，慣於按照該團體的指示或指令行事，該團體不會僅因此而視為其附屬公司的幕後董事。".

509(3) By deleting "failure" and substituting "omission".

509(4) In the Chinese text, by deleting "須為施行第512或513條" and substituting "為第512或513條的目的".

509(5) In the Chinese text, by deleting "須為施行第514條" and substituting "為第514條的目的".

513(3)(a) In the Chinese text, by adding "或財產" after "業務".

515(3) In the Chinese text, in the definition of ***現存法律義務***, in paragraph (b), by deleting "企業" and substituting "業務".

516(1), (2) and (3) — By deleting "$20,000" and substituting "$100,000".

521 — In the Chinese text, by deleting subclause (2) and substituting—

"(2) 就本分部而言， 縱使某法人團體的附屬公司的一眾董事或過半數董事，慣於按照該團體的指示或指令行事，該團體不會僅因此而視為其附屬公司的幕後董事。".

522(1)(a)(i) and (ii) — In the Chinese text, by deleting "親自承諾" and substituting "承諾親自".

523(3) — By deleting "failure" and substituting "omission".

529(1)(c) — By deleting "to the other directors".

529 — By deleting subclause (6) and substituting—

"(6) A general notice must be given—

(a) at a directors' meeting; or

(b) in writing and sent to the company.

Note—

See also section 531A which requires a company receiving a general notice to send the general notice to other directors.

(7) A general notice given under subsection (6)(a) takes effect on the date of the directors' meeting.

(8) A general notice given under subsection (6)(b) takes effect on the twenty-first day after the day on which it is sent to the company.".

New — By adding—

"**531A. Companies must send general notices to other directors**

(1) If a company receives a notice under section 529(6)(b) from a director, it must, within 15 days after the day on which it receives the notice, send a copy of the notice to other directors of the company.

(2) If a company contravenes subsection (1), the company, and every responsible person of the company, commit an offence, and each is liable to a fine at level 6.".

533(3) By deleting "available for inspection".

533(5) By deleting "available for inspection".

533(5) By deleting "14" (wherever appearing) and substituting "15".

533 By adding—

"(5A) If subsection (3) or (4) is contravened, the company, and every responsible person of the company, commit an offence, and each is liable to a fine at level 3.".

533(6) By deleting "(2), (3), (4) or".

534 By deleting subclauses (1), (2), (3) and (4) and substituting—

"(1) A member of a company is entitled, on request made in the prescribed manner and without charge, to inspect, in accordance with regulations made under section 648, a copy of a contract or a written memorandum kept by the company under section 533.

(2) A member of the company is entitled, on request and on payment of a prescribed fee, to be provided with a copy of the contract or memorandum in accordance with regulations made under section 648.".

534 By adding—

"(6) In this section—

prescribed (訂明) means prescribed by regulations made under section 648.".

535 By deleting subclause (2) and substituting—

"(2) Unless the contract is in writing, the company must ensure that—

(a) the terms of the contract are set out in a written memorandum within 15 days from the entering into of the contract; and

(b) the memorandum is kept at the place at which the books containing the minutes of the directors' meetings are kept.".

535(3) By deleting everything after "level 3" and substituting a full stop.

535 In the Chinese text, by deleting subclause (7) and substituting—

"(7) 就本條而言，縱使某法人團體的附屬公司的一眾董事或過半數董事，慣於按照該團體的指示或指令行事，該團體不會僅因此而視為其附屬公司的幕後董事。".

539(1) By deleting paragraph (b) and substituting—

"(b) a member of a company.".

539 By deleting subclause (2).

541 By deleting the clause and substituting—

"**541. Members' power to request circulation of written resolution**

(1) A member of a company may request the company to circulate a resolution that—

(a) may properly be moved; and

(b) is proposed as a written resolution under section 539(1)(b).

(2) If a member requests a company to circulate a resolution, the member may request the company to circulate with the resolution a statement of not more than 1 000 words on the subject matter of the resolution.

(3) However, each member may only request the company to circulate one such statement with respect to the resolution.".

542(2) By deleting "2.5%" and substituting "5%".

543 By adding—

"(4A) For the purposes of subsection (4), a failure to make a copy of a proposed written resolution or statement available on a website throughout the period mentioned in that subsection is to be disregarded if—

(a) the copy is made available on the website for part of that period; and

(b) the failure is wholly attributable to circumstances that it would not be reasonable to have expected the company to prevent or avoid.".

543(5) In the Chinese text, by deleting paragraph (b) and substituting—

"(b) 該決議的最後通過日期(該決議如沒有在該日期或之前通過，便會根據第 548 條而失效)。".

544 By deleting subclause (1) and substituting—

"(1) A company is not required to circulate a statement mentioned in section 541(2) if, on an application by the company or another person who claims to be aggrieved, the Court is satisfied that the rights given by that section are—

(a) being abused; or

(b) being used to secure needless publicity for defamatory matter.".

547 By deleting subclauses (1) and (2) and substituting—

"(1) If—

(a) 2 or more eligible members are joint holders of shares of a company;

(b) any holder has signified their agreement to a proposed written resolution; and

(c) if the company has received, before the end of the period mentioned in section 548(1), any objection to the proposed written resolution from any other holder, the holder who has signified the agreement is more senior than the holder who has made the objection,

then the other joint holder or holders are to be regarded as having signified their agreement to the proposed written resolution for the purposes of section 546(1).

(2) For the purposes of this section, the seniority of a holder of a share is determined by the order in which the names of the joint holders appear in the register of members of the company.".

549(1) By deleting "copy of the written resolution" and substituting "notice of this fact".

551(2) In the Chinese text, by deleting "不按照本次分部的規定" and substituting "屬按照本次分部規定以外".

552 By adding—

"(1A) For the purposes of subsection (1), if there is any inconsistency between a provision of a Subdivision referred to in that subsection, and a provision of the company's articles, unless otherwise provided in or in respect of that Subdivision, the provision of that Subdivision prevails over the provision of the articles to the extent of the inconsistency.".

553 By deleting subclause (2) and substituting—

"(2) A resolution passed at a general meeting on a show of hands is passed by a simple majority if it is passed by a simple majority of the total of the following—

(a) the number of the members who (being entitled to do so) vote in person on the resolution;

(b) the number of the persons who vote on the resolution as duly appointed proxies of members entitled to vote on it.".

554 By deleting subclause (2) and substituting—

"(2) A resolution passed at a general meeting on a show of hands is passed by a majority of at least 75% if it is passed by at least 75% of the total of the following—

(a) the number of the members who (being entitled to do so) vote in person on the resolution;

(b) the number of the persons who vote on the resolution as duly appointed proxies of members entitled to vote on it.".

554(5) In the Chinese text, by deleting "須" and substituting "即".

555 In the Chinese text, by deleting "一眾".

556(1) and (2) In the Chinese text, by deleting "一眾".

558(1) In the Chinese text, by deleting "半數的該等" and substituting "半數的".

563 In the Chinese text, by deleting subclauses (2) and (3) and substituting—

"(2) 凡有關公司知會某成員，指有關通知在有關網站上提供，該項知會須 —

(a) 述明該項知會關乎公司成員大會的通知；

(b) 指明舉行該成員大會的地點、日期及時間；及

(c) (如屬周年成員大會)述明該成員大會是周年成員大會。

(3) 在整段始於作出上述知會的日期當日並與有關成員大會同時結束的期間內，有關通知均須在上述網站上提供。".

568(3)(a) In the Chinese text, by deleting "普遍行銷" and substituting "廣泛流通".

569 In the heading, by deleting "**failure**" and substituting "**omission**".

569(1) By deleting "failure" and substituting "omission".

570(1) In the Chinese text, by deleting "一份".

570(1) In the English text, by deleting "The members" and substituting "A member".

570 By adding—

"(1A) However, each member may only request the company to circulate—

(a) one such statement with respect to the resolution mentioned in subsection (1)(a); and

(b) one such statement with respect to the other business mentioned in subsection (1)(b).".

570(2) By deleting paragraph (b) and substituting—

"(b) at least 50 members who have a relevant right to vote.".

572(1)(a) In the English text, by deleting "request" and substituting "requests".

573 By deleting subclause (1) and substituting—

"(1) A company is not required to circulate a statement under section 571 if, on an application by the company or another person who claims to be aggrieved, the Court is satisfied that the rights given by section 570 are—

(a) being abused; or

(b) being used to secure needless publicity for defamatory matter.".

574 By deleting subclause (1) and substituting—

"(1) A company may hold a general meeting at 2 or more places using any technology that enables the members of the company who are not together at the same place to listen, speak and vote at the meeting.".

579 By deleting subclauses (1) and (2) and substituting—

"(1) In the case of joint holders of shares of a company, only the vote of the most senior holder who votes (and any proxies duly authorized by the holder) may be counted by the company.

(2) For the purposes of this section, the seniority of a holder of a share is determined by the order in which the names of the joint holders appear in the register of members of the company.".

584(2) By deleting everything after "level 3" and substituting a full stop.

588(2)(b) By deleting the semicolon and substituting a full stop.

588(2) By deleting paragraph (c).

594 By deleting subclause (1) and substituting—

"(1) This section applies to a notice that the authority of a person to act as proxy is terminated (***notice of termination***).".

594(7)(b) By deleting the semicolon and substituting a full stop.

594(7) By deleting paragraph (c).

600(3)(a) By deleting subparagraph (ii) and substituting—

"(ii) 3 months after the date of the directors' resolution,".

600(3)(b) By deleting subparagraph (ii) and substituting—

"(ii) 3 months after the date of the directors' resolution,".

602 In the heading, in the Chinese text, by deleting "無需" and substituting "無須".

602(1) and (2) — In the Chinese text, by deleting "無需" and substituting "無須".

602(2) — By deleting paragraph (b) and substituting—

"(b) all of the following are satisfied—

(i) the company has by resolution passed in accordance with section 603(1) dispensed with the holding of the annual general meeting;

(ii) the company has not revoked the resolution under section 604(1), or the company has revoked the resolution under that section but is not required to hold an annual general meeting under section 604(2)(b);

(iii) no member of the company has required the holding of the annual general meeting under section 603(5).".

602 — By deleting subclause (3).

603(4) — By deleting paragraph (a) and substituting—

"(a) is not to have effect for the financial year in respect of which the period specified in section 600 for holding an annual general meeting of the company has expired; and".

605(2) — By deleting paragraph (b) and substituting—

"(b) at least 50 members who have a right to vote on the resolution at the annual general meeting to which the requests relate.".

607(3) — By deleting everything after "level 3" and substituting a full stop.

608(1) — By deleting paragraph (c) and substituting—

"(c) all written records provided to the company in accordance with section 116BC(1) of the predecessor Ordinance or section 607(2).".

608 — By deleting subclause (2) and substituting—

"(2) A company must keep the copy, minutes or written record under subsection (1) for at least 10 years from the date of the resolution, meeting or decision, as the case may be.".

609 In the heading, by deleting "**available for inspection**".

609 By deleting subclauses (1), (2), (3) and (4) and substituting—

"(1) A company must keep the records mentioned in section 608 at—

(a) the company's registered office; or

(b) a prescribed place.

(2) A company must notify the Registrar of the place at which the records mentioned in section 608 are kept. The notice must be in the specified form and delivered to the Registrar for registration within 15 days after the records are first kept at that place.

(3) A company must notify the Registrar of any change (other than a change of the address of the company's registered office) in the place at which the records mentioned in section 608 are kept. The notice must be in the specified form and delivered to the Registrar for registration within 15 days after the change.

(4) Subsection (2) does not require a company to notify the Registrar of the place at which the records mentioned in section 608 are kept—

(a) if, in the case of records that came into existence on or after the commencement date of this section, they have at all times been kept at the company's registered office; or

(b) if—

(i) immediately before that commencement date, the company kept the records for the purposes of section 119A of the predecessor Ordinance; and

(ii) on and after that commencement date, the records are kept for the purposes of section 608 at the place at which they were kept immediately before that commencement date.".

610 By deleting subclauses (1), (2), (3) and (4) and substituting—

"(1) A member of a company is entitled, on request made in the prescribed manner and without charge, to inspect, in accordance with regulations made under section 648, the records kept by the company under section 608.

(2) A member of the company is entitled, on request and on payment of a prescribed fee, to be provided with a copy of any of those records in accordance with regulations made under section 648.".

611(3) By deleting paragraph (c) and substituting—

"(c) all appointments made at the meeting are to be regarded as valid.".

612(1)(a) By adding "or 758" after "102".

612(1) By adding—

"(da) an agreement made for the purposes of section 358(1)(b)(iii);

(db) a resolution passed for the purposes of section 358A(1)(a), (2)(a)(i), (2)(b)(i) or (2)(c)(i);

(dc) a resolution passed under section 603;".

612(1) By deleting paragraphs (f) and (g) and substituting—

"(f) a resolution varying any matter or provision in the articles of a company that is expressly authorized by the articles to be varied by ordinary resolution;

(g) an order of the Court (which alters a company's articles) a copy of which is required to be delivered to the Registrar under section 91; and

(h) an order of the Court which alters a resolution or an agreement referred to in paragraph (a), (b), (c), (d), (da), (db), (dc), (e) or (f).".

612 By deleting subclause (2) and substituting—

"(2) The company must deliver a copy of the order under subsection (1)(h), resolution or agreement to the Registrar for registration within 15 days after it is made or passed.".

612 By deleting subclause (3).

612 By deleting subclause (4) and substituting—

"(4) The company must ensure that a copy of the resolution, agreement or order of the Court that is for the time being in force is included in or annexed to every copy of the articles issued, as the case may be—

(a) after the passing of the resolution; or

(b) after the making of the agreement or the order of the Court.

(4A) Subsection (4) does not apply to an existing company whose articles have not been registered under this Ordinance or any former Companies Ordinance.".

612(5) By deleting "If the company's" and substituting "If the company is an existing company whose".

612(6) By deleting ", (3)".

612(9) By adding "or provisional liquidator" after "liquidator".

613(3) In the English text, by deleting "a ***variation***" and substituting "***variation***".

614(3) In the English text, by deleting "a ***variation***" and substituting "***variation***".

617(5) By deleting "20" and substituting "10".

617 By deleting subclause (6) and substituting—

"(6) A company must retain a copy of any details that were included in the register of members immediately before the commencement date of subsection (5) until 10 years after the member concerned ceased to be a member.".

618 By deleting the clause and substituting—

"**618. Place where register must be kept**

(1) A company must keep its register of members at—

(a) the company's registered office; or

(b) a prescribed place.

(2) A company must notify the Registrar of the place at which the register of members is kept. The notice must be in the specified form and delivered to the Registrar for registration within 15 days after the register is first kept at that place.

(3) A company must notify the Registrar of any change (other than a change of the address of the company's registered office) in the place at which the register of members is kept. The notice must be in the specified form and delivered to the Registrar for registration within 15 days after the change.

(4) Subsection (2) does not require a company to notify the Registrar of the place at which the register of members is kept—

(a) if, in the case of a register that came into existence on or after the commencement date of this section, it has at all times been kept at the company's registered office; or

(b) if—

(i) immediately before that commencement date, the company kept a register for the purposes of section 95 of the predecessor Ordinance; and

(ii) on and after that commencement date, that register is kept as a register of members for the purposes of section 617 at the place at which it was kept immediately before that commencement date.

(5) If a company contravenes subsection (1), (2) or (3), the company, and every responsible person of the company, commit an offence, and each is liable to a fine at level 4 and, in the case of a continuing offence, to a further fine of $700 for each day during which the offence continues.".

619 By deleting subclauses (1) and (2) and substituting—

"(1) If, after a person ceases to be a member of a company, the number of members of the company falls to one, the company must, within 15 days after the date on which the cessation is entered in its register of members under section 617(2)(c), enter in the register—

(a) a statement that it has only one member; and

(b) the date on which it became a company having only one member.

(2) If the membership of a company increases from one to 2 or more members, the company must, within 15 days after the date on which the particulars of the new member are entered in its register of members under section 617(2), enter in the register—

(a) a statement that it has ceased to have only one member; and

(b) the date on which that event occurred.".

620(2) By deleting "7" and substituting "15".

621 By deleting subclause (1) and substituting—

"(1) A member of a company is entitled, on request made in the prescribed manner and without charge, to inspect the register of members of the company, and the index of members' names, in accordance with regulations made under section 648.

(1A) Any other person is entitled, on request made in the prescribed manner and on payment of a prescribed fee, to inspect the register and index in accordance with regulations made under section 648.".

621 By deleting subclauses (2), (3), (4), (5), (6), (7) and (8) and substituting—

"(2) A person is entitled, on request and on payment of a prescribed fee, to be provided with a copy of the register or index, or any part of it, in accordance with regulations made under section 648.".

622 By deleting the clause.

623 By deleting subclause (3) and substituting—

"(3) The period of 30 days mentioned in subsection (1) may be extended in respect of any year by a resolution of the company's members passed in that year.".

624(2)(b) and (3) By deleting "163" and substituting "162".

626 By deleting subclause (2).

627(2) and (3) By deleting "14" and substituting "15".

628(1) By deleting "in this section called".

628(3) By deleting paragraphs (a) and (b) and substituting—

"(a) must cause a duplicate of it to be kept at the place at which the company's principal register is kept; and

(b) must, within 15 days after an entry is made in the branch register—

(i) transmit a copy of the entry to its registered office; and

(ii) update the duplicate of the branch register.".

630(3) By deleting "14" and substituting "15".

632 By deleting subclauses (2), (3), (4), (5) and (6) and substituting—

"(2) Subject to section 51(4), (5)(a) and (6)(a), a company must enter in the register of directors the required particulars specified in section 634 of each person who is a director or reserve director (if any) of the company.

(3) A company must keep the register of directors at—

(a) the company's registered office; or

(b) a prescribed place.

(4) A company must notify the Registrar of the place at which the register of directors is kept. The notice must be in the specified form and delivered to the Registrar for registration within 15 days after the register is first kept at that place.

(5) A company must notify the Registrar of any change (other than a change of the address of the company's registered office) in the place at which the register of directors is kept. The notice must be in the specified form and delivered to the Registrar for registration within 15 days after the change.

(6) Subsection (4) does not require a company to notify the Registrar of the place at which the register of directors is kept—

(a) if, in the case of a register that came into existence on or after the commencement date of this section, it has at all times been kept at the company's registered office; or

(b) if—

(i) immediately before that commencement date, the company kept a register for the purposes of section 158 of the predecessor Ordinance; and

(ii) on and after that commencement date, that register, in so far as it relates to the directors or reserve directors of the company, is kept as a register of directors for the purposes of subsection (1) at the place at which it was kept immediately before that commencement date.".

633 By deleting the clause and substituting—

"**633. Right to inspect and request copy**

(1) A member of a company is entitled, on request made in the prescribed manner and without charge, to inspect the register of directors of the company in accordance with regulations made under section 648.

(2) Any other person is entitled, on request made in the prescribed manner and on payment of the prescribed fee, to inspect the register in accordance with regulations made under section 648.

(3) A person is entitled, on request and on payment of a prescribed fee, to be provided with a copy of the register, or any part of it, in accordance with regulations made under section 648.".

634(4) In the definition of ***residential address***, by deleting paragraph (b) and substituting—

"(b) does not include a post office box number;".

634(5) By deleting "must be a place in Hong Kong and".

635(1) By deleting "sections 632(3) and 633(1), (2) and (3)" and substituting "section 633(1), (2) and (3)".

636(1) By deleting "14" and substituting "15".

636(1) By deleting paragraph (a) and substituting—

"(a) the director's particulars specified in its register of directors;

(ab) a statement that the person has accepted the appointment; and".

636(1)(b) By deleting "has accepted the appointment and".

636(2), (3) and (4) By deleting "14" and substituting "15".

636(4) In the Chinese text, by deleting "不再" and substituting "停止".

636(4) In the Chinese text, by deleting "卸任" (wherever appearing) and substituting "停任".

639 By deleting subclauses (3), (4), (5) and (6) and substituting—

"(3) A company must keep the register of company secretaries at—

(a) the company's registered office; or

(b) a prescribed place.

(4) A company must notify the Registrar of the place at which the register of company secretaries is kept. The notice must be in the specified form and delivered to the Registrar for registration within 15 days after the register is first kept at that place.

(5) A company must notify the Registrar of any change (other than a change of the address of the company's registered office) in the place at which the register of company secretaries is kept. The notice must be in the specified form and delivered to the Registrar for registration within 15 days after the change.

(6) Subsection (4) does not require a company to notify the Registrar of the place at which the register of company secretaries is kept—

(a) if, in the case of a register that came into existence on or after the commencement date of this section, it has at all times been kept at the company's registered office; or

(b) if—

(i) immediately before that commencement date, the company kept a register for the purposes of section 158 of the predecessor Ordinance; and

(ii) on and after that commencement date, that register, in so far as it relates to the company secretary or joint company secretaries of the company, is kept as a register of company secretaries for the purposes of subsection (1) at the place at which it was kept immediately before that commencement date.".

640 By deleting the clause and substituting—

"**640. Right to inspect and request copy**

(1) A member of a company is entitled, on request made in the prescribed manner and without charge, to inspect the register of company secretaries of the company in accordance with regulations made under section 648.

(2) Any other person is entitled, on request made in the prescribed manner and on payment of the prescribed fee, to inspect the register in accordance with regulations made under section 648.

(3) A person is entitled, on request and on payment of a prescribed fee, to be provided with a copy of the register, or any part of it, in accordance with regulations made under section 648.".

642(1) By deleting "sections 639(3) and 640(1), (2) and (3)" and substituting "section 640(1), (2) and (3)".

643 By deleting subclause (1) and substituting—

"(1) If a person or persons are appointed as company secretary or joint company secretaries of a company otherwise than under section 465(2) or (3), the company must, within 15 days after the appointment, deliver to the Registrar for registration a notice in the specified form containing the company secretary's or joint company secretaries' particulars specified in its register of company secretaries.".

643(2) In the Chinese text, by deleting "不再" and substituting "停止".

643(2) In the Chinese text, by deleting "卸任" (wherever appearing) and substituting "停任".

643(2) By deleting "14" and substituting "15".

646(2)(b) In the Chinese text, by deleting "一眾".

646 By deleting subclause (4) and substituting—

"(4) If any company records required by this Ordinance to be kept by a company are kept by the company by recording the information in question in electronic form, any duty imposed on the company under this Ordinance to allow inspection of the company records is to be regarded as a duty to allow inspection of—

(a) a reproduction of the recording, or the relevant part of the recording, in hard copy form; or

(b) if requested by the person inspecting the recording, the recording, or the relevant part of the recording, by electronic means.".

646(5) By deleting "or (3)".

646 By adding—

"(5A) If a company contravenes subsection (3), the company, and every responsible person of the company, commit an offence, and each is liable to a fine at level 3.".

646(6) In the Chinese text, in the definition of ***印本形式***, by deleting "類似" and substituting "相類".

646(6) In the Chinese text, in the definition of ***電子形式***, by deleting "紀錄" and substituting "紀錄的".

647(2) By deleting everything after "level 3" and substituting a full stop.

648(1)(a) By deleting subparagraphs (ii) and (iii) and substituting—

"(ii) to make available for inspection any company records; or

(iii) to provide copies of any company records or trust deeds;".

648(1) By deleting paragraphs (b) and (c) and substituting—

"(b) prescribe the fees payable in respect of company records or trust deeds; and

(c) prescribe any other thing that is required or permitted to be prescribed under this Ordinance in respect of company records or trust deeds.".

648(2) By adding—

"(ab) prescribe the manner in which a request for inspection is to be made;

(ac) require a company to inform a person of the most recent date on which alterations were made to a register or an index;".

648(2) By deleting paragraph (d) and substituting—

"(d) make provision as to the time within which a copy of company records, or a copy of a trust deed, must be provided; and".

648(3) By deleting paragraphs (b), (c) and (d) and substituting—

"(b) provide that that provision is not complied with by keeping company records at a place prescribed in the regulations unless conditions prescribed in the regulations are met; and

(c) prescribe more than one place in relation to that provision.".

648(4) By deleting paragraphs (c), (d) and (e) and substituting—

"(c) the Court may—

(i) by order compel an immediate inspection of company records;

(ii) by order direct that a copy of company records, or a copy of a trust deed, be provided to a person entitled to be provided with the copy; and

(iii) make any order as to the time, duration and manner of inspection, including the circumstances in which and the extent to which the copying of information is permitted in the course of inspection; and

(d) if company records or a trust deed is kept at the office of a person other than the company concerned, an order mentioned in paragraph (c) may be made against that other person and that other person's officers and other employees (if any).".

648 By adding—

"(6) In this section—

trust deed (信託契據) means a trust deed or any other document securing the issue of debentures.".

649(3) By deleting "14" and substituting "15".

650(1) By deleting paragraph (b) and substituting—

"(b) to state prescribed information in common seals, and in prescribed descriptions of documents or communications; and".

650(2) By deleting paragraphs (a) and (b) and substituting—

"(a) may in prescribed circumstances require disclosure of the name of the company;

(b) may make provision as to the manner in which any prescribed information is to be displayed, stated or provided; and

(c) may exempt a company from any requirement of the regulations made under subsection (1).".

651(c) By deleting everything after "level 3" and substituting a full stop.

655 By adding—

"(4) Despite subsection (3), if—

(a) an annual return is required to be delivered by a private company under section 653(1) in respect of a year; and

(b) at any time during the year—

(i) the company registers any transfer of shares in the company in contravention of the restriction imposed by the company's articles;

(ii) the membership of the company exceeds the number specified in section 10(1)(a)(ii); or

(iii) the company makes an invitation to the public to subscribe for any shares or debentures of the company,

the annual return must contain the information, and be accompanied by the documents, specified in subsection (5) instead.

(5) The information and documents are—

(a) information and documents specified for the purposes of a public company in Schedule 6; and

(b) information and documents that relate to the financial year of the company ending on a date within the year in respect of which the annual return is required to be delivered.

(6) The Court may, on the application of the company or a person interested in the matter, order that subsection (4) does not apply to the company.

(7) The Court may make the order on any terms and conditions that the Court thinks just and expedient.

(8) The Court must not make the order unless the Court is satisfied that—

(a) the occurrence of the event mentioned in subsection (4)(b)(i), (ii) or (iii) was accidental;

(b) it was due to inadvertence or to some other sufficient cause that the event occurred; or

(c) it is just and equitable to grant the relief on other grounds.".

657 By deleting the clause and substituting—

"**657. Interpretation**

In this Part—

child (子女) includes a step-child, an illegitimate child and a child adopted in any manner recognized by the law of Hong Kong;

cohabitation relationship (同居關係) means a relationship between 2 persons (whether of the same sex or of the opposite sex) who live together as a couple in an intimate relationship;

offer period (要約期), in relation to an offer, means the period within which the offer can be accepted;

repurchasing company (回購公司), in relation to a general offer, means the listed company that makes the offer.".

658(1)(a) By deleting subparagraphs (ii), (iii) and (iv) and substituting—

"(ii) a person who is in a cohabitation relationship with the offeror or member;

(iii) a child of the offeror or member;

(iv) a child of a person falling within subparagraph (ii) who—

(A) is not a child of the offeror or member;

(B) lives with the offeror or member; and

(C) has not attained the age of 18;".

658 By adding—

"(1A) In this Part, a reference to an associate of a repurchasing company is a reference to—

(a) a body corporate in the same group of companies as the repurchasing company;

(b) a body corporate in which the repurchasing company is substantially interested; or

(c) a person who is a party, or a nominee of a party, to an acquisition agreement with the repurchasing company.".

658 By deleting subclause (2) and substituting—

"(2) For the purposes of subsections (1) and (1A), an offeror, member or repurchasing company is substantially interested in a body corporate if—

(a) the body corporate, or its directors or a majority of its directors, are accustomed to act in accordance with the directions or instructions of the offeror, member or repurchasing company; or

(b) the offeror, member or repurchasing company is entitled to exercise, or control the exercise of, more than 30% of the voting power at any general meeting of the body corporate.

(2A) In subsection (2), a reference to voting power the exercise of which is controlled by an offeror, member or repurchasing company includes voting power the exercise of which is controlled by another body corporate if the offeror, member or repurchasing company is entitled to exercise, or control the exercise of, more than 50% of the voting power at any general meeting of that other body corporate.".

658(3) By deleting "subsection (1)" and substituting "subsections (1) and (1A)".

661 By deleting subclause (1) and substituting—

"(1) The Court may, on application made for the purposes of this subsection—

(a) order a meeting specified in subsection (2)(a), or a meeting specified in subsection (2)(b), or both (as the case may be) to be summoned in any manner that the Court directs; and

(b) for the purposes of section 664A(4), declare a person to be a person specified under that section.".

664 By deleting subclause (2).

New By adding—

"**664A. Provision supplementary to section 664(1): agreement to arrangement or compromise**

(1) For the purposes of section 664(1)—

(a) the creditors agree to the arrangement or compromise if, at a meeting of the creditors summoned under section 661, a majority in number representing at least 75% in value of the creditors present and voting, in person or by proxy, agree to the arrangement or compromise;

(b) a class of creditors agrees to the arrangement or compromise if, at a meeting of the class of creditors summoned under section 661, a majority in number representing at least 75% in value of the class of creditors present and voting, in person or by proxy, agree to the arrangement or compromise;

(c) subject to subsection (2)(a), the members agree to the arrangement or compromise if, at a meeting of the members summoned under section 661—

(i) members representing at least 75% of the voting rights of the members present and voting, in person or by proxy, agree to the arrangement or compromise; and

(ii) unless the Court orders otherwise, a majority in number of the members present and voting, in person or by proxy, agree to the arrangement or compromise; and

(d) subject to subsection (2)(b), a class of members agrees to the arrangement or compromise if, at a meeting of the class of members summoned under section 661—

(i) members representing at least 75% of the voting rights of the class of members present and voting, in person or by proxy, agree to the arrangement or compromise; and

(ii) unless the Court orders otherwise, a majority in number of the class of members present and voting, in person or by proxy, agree to the arrangement or compromise.

(2) However, where the arrangement involves a general offer within the meaning of section 696 or a takeover offer—

(a) the members agree to the arrangement if—

(i) at a meeting of the members summoned under section 661, members representing at least 75% of the voting rights of the members present and voting, in person or by proxy, agree to the arrangement; and

(ii) the votes cast against the arrangement at the meeting do not exceed 10% of the total voting rights attached to all disinterested shares in the company;

(b) a class of members agrees to the arrangement if—

(i) at a meeting of the class of members summoned under section 661, members representing at least 75% of the voting rights of the class of members present and voting, in person or by proxy, agree to the arrangement; and

(ii) the votes cast against the arrangement at the meeting do not exceed 10% of the total voting rights attached to all disinterested shares of the class in the company.

(3) In subsection (2)—

disinterested shares (無利害關係股份) means—

(a) in the case of a takeover offer, shares in the company other than those held—

(i) by the offeror, or by a nominee on behalf of the offeror;

(ii) by an associate of the offeror (except a person who falls within section 658(1)(a)(vii) or (b)(iii) or a person specified in subsection (4)); or

(iii) by a person who is a party to an acquisition agreement within the meaning of section 658(3) with the offeror (except a person specified in subsection (4)), or by a nominee on behalf of the person under the acquisition agreement;

(b) in the case of a general offer, shares in the company other than those held—

(i) by a non-tendering member as defined by section 694(1), or by a nominee on behalf of the member;

(ii) by an associate of such a non-tendering member (except a person who falls within section 658(1)(a)(vii) or (b)(iii) or a person specified in subsection (4));

(iii) by a nominee on behalf of the repurchasing company;

(iv) by an associate of such a repurchasing company (except a person who falls within section 658(1A)(c) or a person specified in subsection (4)); or

(v) by a person who is a party to such an acquisition agreement with such a non-tendering member or repurchasing company (except a person specified in subsection (4)), or by a nominee on behalf of the person under the acquisition agreement.

(4) The person specified for the purposes of paragraph (a)(ii) and (iii) and (b)(ii), (iv) and (v) of the definition of ***disinterested shares*** in subsection (3) is a person declared under section 661(1)(b) to be a person specified under this section.

(5) For the purposes of subsections (2) and (3)—

(a) an offer to acquire shares in a company is a takeover offer if—

(i) it is an offer to acquire all the shares, or all the shares of any class, in the company, except those that, at the date of the offer, are held by the offeror; and

(ii) the terms of the offer are the same—

(A) where the offer does not relate to shares of different classes, in relation to all the shares to which the offer relates; or

(B) where the offer relates to shares of different classes, in relation to all the shares of each class to which the offer relates; and

(b) an offer under which consideration is provided for the cancellation of shares in a company is also a takeover offer if—

(i) it is an offer under which consideration is provided for the cancellation of all the shares, or all the shares of any class, in the company, except—

(A) those that, at the date of the offer, are held by the offeror;

(B) those that are specified in the offer document as shares that are not to be cancelled under the offer; and

(C) those that, at the date of the offer, are held by a member residing in a place where such an offer is contrary to the law of the place; and

(ii) the terms of the offer are the same—

(A) where the offer does not relate to shares of different classes, in relation to all the shares to which the offer relates; or

(B) where the offer relates to shares of different classes, in relation to all the shares of each class to which the offer relates.

(6) In subsection (5)—

shares (股份) means shares that have been allotted on the date of the offer.

(7) In subsection (5)(a)(i) and (b)(i), a reference to shares that are held by an offeror—

(a) includes shares that the offeror has contracted, unconditionally or subject to conditions being satisfied, to acquire; but

(b) excludes shares that are the subject of a contract—

(i) entered into by the offeror with a holder of shares in the company in order to secure that the holder will accept the offer when it is made; and

(ii) entered into for no consideration and by deed, for consideration of negligible value, or for consideration consisting of a promise by the offeror to make the offer.

(8) For the purposes of subsection (5)(a)(ii) and (b)(ii), even though, in relation to all the shares, or all the shares of a class of shares, to which an offer relates, there is a difference in the value of consideration offered for the shares allotted earlier as against the value of consideration offered for those allotted later, the terms of the offer are to be regarded as the same in relation to all the shares concerned if—

(a) shares carry an entitlement to a particular dividend that other shares of the same class, by reason of being allotted at a different time, do not carry;

(b) the difference in value of consideration merely reflects that difference in entitlement to dividend; and

(c) but for the difference in the value of consideration, the terms of the offer would be the same in relation to all the shares concerned.

(9) For the purposes of subsection (5)(a)(ii) and (b)(ii), even though, in relation to all the shares, or all the shares of a class of shares, to which an offer relates, there is a difference in the form of consideration offered, the terms of the offer are to be regarded as the same in relation to all the shares concerned if—

(a) the law of a place outside Hong Kong precludes an offer of consideration in the form specified in the terms of the offer, or precludes it except after compliance by the offeror with conditions with which the offeror is unable to comply or that the offeror regards as unduly onerous;

(b) consideration in another form is offered to a person to whom an offer of consideration in the specified form is so precluded;

(c) the person is able to receive consideration in that other form that is of substantially equivalent value; and

(d) but for the difference in the form of consideration, the terms of the offer would be the same in relation to all the shares concerned.

(10) Despite subsection (5), a takeover offer may include, among the shares to which it relates, shares that will be allotted after the date of the offer but before a date specified in the offer.

(11) In subsections (2), (3), (4), (5), (6), (7), (8), (9) and (10), a reference to shares in a company includes—

(a) debentures that are convertible into shares in the company; and

(b) securities of the company that are convertible into, or entitle the holder to subscribe for, shares in the company.

Those subsections apply to those debentures or securities as if they were shares of a separate class of the company, and a reference to a member or a holder of shares in those subsections is to be read accordingly.".

New By adding—

"**665A. Court may order costs**

(1) This section applies in relation to an application made for the purposes of section 664(3) for an order of the Court sanctioning an arrangement that falls within section 664A(2).

(2) The Court may make any order that it thinks fit about the costs incurred or to be incurred by a member who dissents from the arrangement in opposing the application.

(3) An order may require the company or any other party to the application to indemnify the member against the costs incurred or to be incurred by the member.

(4) The Court may only make an order about costs (including the requirement as to indemnification) under this section in favour of the member if it is satisfied that the member was acting in good faith in, and had reasonable grounds for, opposing the application.

(5) The Court may only make an order about costs under this section against the member if the member's opposition to the application is frivolous or vexatious.".

666(2) In the English text, by deleting "commits" and substituting "commit".

668(1) By deleting paragraph (b) and substituting—

"(b) as at the date of the statement—

(i) none of the following exists—

(A) any floating charge created by the amalgamating company;

(B) any other security created by the amalgamating company over a class of assets, to any of which the security interest has not attached; or

(ii) there exists such a floating charge or other security, and each person entitled to the charge or security has consented in writing to the amalgamation proposal.".

668(2) By deleting paragraph (b) and substituting—

"(b) if the amalgamation is to be approved by a written resolution, the circulation date of the resolution.".

668 By adding—

"(4) In subsection (2)(b)—

circulation date (傳閱日期) has the meaning given by section 537(1).".

669(2) By deleting paragraph (d) and substituting—

"(d) that the directors of each amalgamating company have confirmed that as at the date of the solvency statement made by them—

(i) none of the following exists—

(A) any floating charge created by the amalgamating company;

(B) any other security created by the amalgamating company over a class of assets, to any of which the security interest has not attached; or

(ii) there exists such a floating charge or other security, and each person entitled to the charge or security has consented in writing to the amalgamation proposal;".

670(2) By deleting paragraph (d) and substituting—

"(d) that the directors of each amalgamating company have confirmed that as at the date of the solvency statement made by them—

(i) none of the following exists—

(A) any floating charge created by the amalgamating company;

(B) any other security created by the amalgamating company over a class of assets, to any of which the security interest has not attached; or

(ii) there exists such a floating charge or other security, and each person entitled to the charge or security has consented in writing to the amalgamation proposal;".

671(1) By deleting paragraph (b) and substituting—

"(b) if the amalgamation is to be approved by a written resolution, on or before the circulation date of the resolution.".

671(2)(b) By adding "generally" after "circulating".

671 By adding—

"(4) In subsection (1)(b)—

circulation date (傳閱日期) has the meaning given by section 537(1).".

673(1) By deleting "14" and substituting "15".

673(1)(e) By deleting "that company," and substituting "that company's assets,".

678(3) In the Chinese text, by deleting paragraph (a) and substituting—

"(a) 包括該要約人已訂立合約承諾無條件收購或承諾在某些條件獲得符合的前提下收購的股份；但".

680(1) In the Chinese text, by deleting "無條件訂立合約承諾" and substituting "訂立合約承諾無條件".

680(3)	In the Chinese text, by deleting everything after "或已" and before "收購(不論" and substituting "訂立合約承諾無條件收購或承諾在某些條件獲得符合的前提下".
680(4)	In the Chinese text, by deleting "無條件訂立合約承諾" and substituting "訂立合約承諾無條件".
682(1), (2), (3), (4) and (5)(b)	In the Chinese text, by deleting "無條件訂立合約承諾" and substituting "訂立合約承諾無條件".
683	By deleting subclause (5).
684(4)	By deleting paragraphs (b), (c) and (d) and substituting—

"(b) if the takeover offer falls within section 683(6), the terms of the takeover offer are to be regarded as not including the option unless the offeror indicates otherwise in the notice; and

(c) if, within 2 months after the date of the notice, the holder of the shares, by a letter sent to the offeror at an address specified in the notice, exercises the corresponding option offered under section 683(7), the terms of the takeover offer are to be regarded as including the corresponding option.".

688(2) and (3)	By deleting "or provisional liquidator".
689(1)(a) and (2)(a)	In the Chinese text, by deleting "無條件訂立合約承諾" and substituting "訂立合約承諾無條件".
689(5)	In the Chinese text, by deleting paragraphs (b) and (c) and substituting—

"(b) 該要約人已憑藉收購要約獲接受，而收購或訂立合約承諾無條件收購的股份；或

(c) 該要約人、該要約人的有聯繫者或代表該要約人的代名人已收購或已訂立合約承諾無條件收購或承諾在某些條件獲得符合的前提下收購的其他股份。".

691 By deleting subclause (6).

692(4) By deleting paragraphs (b), (c) and (d) and substituting—

"(b) if the takeover offer falls within section 691(8), the terms of the takeover offer are to be regarded as not including the option unless the offeror indicates otherwise in the notice under section 690; and

(c) if, when requiring the offeror to acquire the shares, the holder of the shares exercises the corresponding option offered under section 691(9), the terms of the takeover offer are to be regarded as including the corresponding option.".

693(2)(a) and (b) In the Chinese text, by deleting "無條件訂立合約承諾" (wherever appearing) and substituting "訂立合約承諾無條件".

694(1) In the English text, in the definition of ***non-tendering member***, by deleting the semicolon and substituting a full stop.

694(1) In the Chinese text, in the definition of ***代名人***, by deleting "人;" and substituting "人。".

694(1) By deleting the definition of ***repurchasing company***.

694(2) In the Chinese text, by deleting paragraph (b) and substituting—

"(b) 該成員、該成員的有聯繫者或代表該成員的代名人已訂立合約承諾無條件收購或承諾在某些條件獲得符合的前提下收購的股份。".

696(3) In the Chinese text, by deleting paragraph (a) and substituting—

"(a) 即提述該公司已訂立合約承諾無條件收購或承諾在某些條件獲得符合的前提下收購的股份；但".

697 In the Chinese text, by deleting subclause (3) and substituting—

"(3) 即使因為香港以外某地方的法律，接受回購股份的要約對某人而言是不可能的，或是較為困難的，此事並不阻止該要約為本分部的目的而成為公開要約。".

698(1) In the Chinese text, by deleting "無條件訂立合約承諾" and substituting "訂立合約承諾無條件".

698(3) In the Chinese text, by deleting everything after "或已" and before "回購(不論" and substituting "訂立合約承諾無條件回購或承諾在某些條件獲得符合的前提下".

698 In the Chinese text, by deleting subclause (4) and substituting—

"(4) 就本分部而言，凡在公開要約作出後但在要約期終結前，回購公司的有聯繫者或代表回購公司行事的代名人回購或訂立合約承諾無條件回購該要約所關乎的任何股份，則如有以下情況，該等股份須視為是該要約所關乎的股份 —

(a) 在回購或訂立合約承諾回購該等股份時，回購或承諾回購的代價的價值，不超過該要約的條款指明的代價的價值；或

(b) 上述條款其後被修改，以致在公布該修改時，回購或訂立合約承諾回購該等股份的代價的價值，在回購或訂立合約時不再超過該條款指明的代價的價值。".

701(2), (3), (4), (5) and (6)(b) In the Chinese text, by deleting "無條件訂立合約承諾" and substituting "訂立合約承諾無條件".

702(3) By deleting "An offeror" and substituting "The repurchasing company".

702(3)(a) In the Chinese text, by deleting "有關" and substituting "該".

702 By deleting subclause (5).

703 By deleting subclause (4) and substituting—

"(4) For the purposes of subsection (2), if the general offer falls within section 702(4), the terms of the general offer are to be regarded as including the particulars and statements included in the notice for the purposes of that section.".

707(2)(a) and (3)(a) In the Chinese text, by deleting "無條件訂立合約承諾" and substituting "訂立合約承諾無條件".

707(6) In the Chinese text, by deleting paragraphs (b) and (c) and substituting—

"(b) 回購公司已憑藉公開要約獲接受，而回購或訂立合約承諾無條件回購的股份；或

(c) 回購公司、該公司的有聯繫者或代表該公司的代名人已回購或已訂立合約承諾無條件回購或承諾在某些條件獲得符合的前提下回購的其他股份。".

709 By deleting subclause (6).

710 By deleting subclause (4) and the note and substituting—

"(4) For the purposes of subsection (2), if the general offer falls within section 709(5), the terms of the general offer are to be regarded as including the particulars and statements included in the notice for the purposes of that section.".

712(1)(b) In the Chinese text, by deleting "如此" and substituting "在無遺囑的情況下".

715(4) By deleting "14" and substituting "15".

720 In the Chinese text, in the definition of ***不當行為***, by deleting "失責" and substituting "的錯失".

721(1) By deleting "before the Court" and substituting "before the court".

728 In the definition of ***record***, by deleting "includes books and paper" and substituting "has the meaning given by section 826(1)".

728 By adding—

"***document*** (文件) has the meaning given by section 826(1);".

729 By deleting the clause and substituting—

"**729. Court may order inspection of records or documents**

(1) On application by a required number of a company's members, the Court may make an order—

(a) authorizing a person who is the applicant or one of the applicants to inspect any record or document of the company; or

(b) authorizing a person who is not the applicant or one of the applicants to inspect any record or document of the company on behalf of the applicant or applicants.

(2) The Court may make an order authorizing a person to inspect a record or document if it is satisfied that—

(a) the application is made in good faith; and

(b) the inspection is for a proper purpose.

(3) If the Court makes an order authorizing a person to inspect a record or document, the person may, unless the Court otherwise orders, make copies of the record or document.

(4) If the Court makes an order authorizing a person to inspect a record or document, it may make any other order that it thinks fit, including—

(a) an order requiring the company, or an officer of the company, to produce any record or document to the person;

(b) an order specifying the record or document that may be inspected by the person;

(c) an order requiring the applicant to pay the expenses reasonably incurred by the company in the inspection; and

(d) an order permitting the person or, if the person is not the applicant, the applicant to disclose any information obtained as a result of the inspection to any other person specified in the order.

(5) A person who complies with an order made under subsection (1) or (4) does not incur any civil liability by reason only of the compliance.

(6) In this section, a reference to a required number of a company's members is a reference to—

(a) the number of members that represents at least 2.5% of the voting rights of all the members having a right to vote at the company's general meetings at the date of application; or

(b) at least 5 members of the company.".

730 By deleting subclause (1) and substituting—

"(1) If, on application by one or more members of a company, the Court makes an order under section 729(1) authorizing a person to inspect a record or document, the person may disclose any information obtained as a result of the inspection to a person who is an applicant.

(1A) The authorized person, or the applicant to whom the information was disclosed, must not, without the company's prior consent in writing, disclose any information obtained as a result of the inspection to a person who is not an applicant.".

730(2) By deleting everything before "if the disclosure" and substituting—

"(2) Despite subsection (1A), the authorized person, or the applicant to whom the information was disclosed, may disclose such information to another person".

730 By deleting subclause (3) and substituting—

"(3) If the Court makes an order under section 729(1) authorizing a person to inspect a record or document, the person, or the applicant to whom the information was disclosed, must not, unless the Court otherwise orders, use any information obtained as a result of the inspection for any purpose other than the purpose for which the inspection is applied for.".

730(4) By deleting "(1)" and substituting "(1A)".

731 By deleting "records" and substituting "record or document".

New By adding immediately after clause 731—

"**731A. Protection of personal data**

To avoid doubt, sections 729 and 730, or an order made under section 729, do not authorize the collection, retention or use of personal data in contravention of the Personal Data (Privacy) Ordinance (Cap. 486).".

738(2)(b) In the Chinese text, by deleting "已停止" and substituting "沒有".

738(2) By deleting paragraphs (d) and (e) and substituting—

"(d) the company is not a party to any legal proceedings;

(e) the company's assets do not consist of any immovable property situate in Hong Kong; and

(f) if the company is a holding company, none of its subsidiary's assets consist of any immovable property situate in Hong Kong.".

738 By deleting subclause (6).

738(7) By adding—

"**Note**—

Please also see section 861 which empowers the Registrar to require the production of records or documents, and the provision of information or explanation in respect of the records or documents, for the purpose of enquiring into whether any act that would constitute an offence under subsection (7) has been done.".

740(3) In the Chinese text, by deleting everything after "有它" and substituting "假若是在其他情況下作為歸屬政府的財產或權利而可能享有的豁免。".

742(2)(b) In the Chinese text, by deleting "有需要" and substituting "屬必要".

743 By deleting subclause (3) and substituting—

"(3) An order for the vesting of a property or right in, or its delivery to, a person subject to a liability mentioned in subsection (1)(b), or a trustee for the person, may only be made if it appears to the Court that it would be just to do so for the purpose of compensating the person in respect of the disclaimer.".

746 By adding—

"(4) If a person is charged with an offence under subsection (3), it is a defence to establish that the person had reasonable grounds to believe, and did believe, that a competent and reliable person—

(a) was charged with the duty of ensuring that subsection (1) was complied with; and

(b) was in a position to discharge that duty.".

747 By deleting subclauses (1) and (2) and substituting—

"The Court's powers under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) to wind up a company are not affected by the fact that—

(a) the company's name has been struck off the Companies Register under section 734 or 735 and the company is dissolved under that section; or

(b) the company has been deregistered, and is dissolved, under section 739.".

761(2) By adding "(3A)," after "(3),".

761 By deleting subclause (3) and substituting—

"(3) The restoration does not affect the disposition or dealing.

(3A) Subsection (3) does not limit the effect of the restoration in relation to any other property or right previously vested in or held on trust for the company.".

761(5) By deleting "Registrar" (wherever appearing) and substituting "Government".

761(6) By deleting "Registrar's" and substituting "Government's".

761(6) By deleting "Registrar" and substituting "Government".

762(1) By deleting the definition of ***responsible officer***.

764(6) By deleting "officer" and substituting "person".

766(3) By deleting everything after "for registration" and substituting—

"a return—

(a) containing the particulars of the cessation; and

(b) where, after the cessation, the company no longer has a name entered in the Companies Register as a corporate name, also containing the following particulars—

(i) at least one new domestic name in Roman script or in Chinese; or

(ii) the certified translation, in English or Chinese, of at least one domestic name.".

766(7) By deleting everything after "for registration" and substituting—

"a return—

(a) containing the particulars of the cessation; and

(b) where, after the cessation, the company no longer has a name entered in the Companies Register as a corporate name, also containing the following particulars—

(i) at least one new domestic name in Roman script or Chinese; or

(ii) the certified translation, in English or Chinese, of at least one domestic name.".

766(10) By deleting "officer" and substituting "person".

767 By adding—

"(4A) If the Registrar receives a return under section 766(3) or (7), and the return contains the particulars required by section 766(3)(b) or (7)(b), the Registrar must also enter in the Companies Register as a corporate name the new domestic name, or the certified translation of a domestic name, contained in the return.".

769(2) By deleting "officer" and substituting "person".

774(1) By deleting paragraphs (b) and (c) and substituting—

"(b) the person ceases to be an authorized representative of the non-Hong Kong company; and

(c) after the cessation, no person is registered in the Companies Register as an authorized representative of the non-Hong Kong company.".

774 By adding—

"(1A) For the purposes of subsection (1)(b), it is irrelevant, that at the time of the cessation, the company is no longer a registered non-Hong Kong company by virtue of section 782(2A) or 786(3).".

774(2), (3) and (4) By deleting "registered non-Hong" and substituting "non-Hong".

774(4) By deleting "officer" and substituting "person".

775 By adding—

"(3A) Subsection (3) does not apply to the sender if, at the time when the notice is sent, the registered non-Hong Kong company has ceased to have a place of business in Hong Kong for at least 11 months.".

775 By adding—

"(7) In this section, a reference to a registered non-Hong Kong company includes a non-Hong Kong company that is no longer a registered non-Hong Kong company by virtue of section 782(2A) or 786(3).".

776(3) By deleting "officer" and substituting "person".

777(3) By deleting "officer" and substituting "person".

778(4) By deleting "7" and substituting "15".

778(5) By deleting "officer" and substituting "person".

779 By adding—

"(4A) If a registered non-Hong Kong company contravenes subsection (1) in respect of a change specified in subsection (2)(a), the company, every responsible person of the company, and every agent of the company who authorizes or permits the contravention, commit an offence, and each is liable to a fine at level 3 and, in the case of a continuing offence, to a further fine of $300 for each day during which the offence continues.

(4B) If a registered non-Hong Kong company contravenes subsection (1) in respect of a change specified in subsection (2)(b) or (c), the company, every responsible person of the company, and every agent of the company who authorizes or permits the contravention, commit an offence, and each is liable to a fine at level 4 and, in the case of a continuing offence, to a further fine of $700 for each day during which the offence continues.".

779(5) By deleting ", the company, every responsible officer" and substituting "in respect of a change specified in subsection (2)(d), the company, every responsible person".

780 By deleting subclause (1).

780 By deleting subclauses (7) and (8) and substituting—

"(7) If a non-Hong Kong company contravenes subsection (2), (3), (4) or (5), the company, every responsible person of the company, and every agent of the company who authorizes or permits the contravention, commit an offence, and each is liable to a fine at level 3.".

781(1) By deleting "14" and substituting "15".

781(4)(b) In the Chinese text, by deleting "是共同" and substituting "是共同清盤人中".

781(6) By deleting "14" and substituting "15".

781(7) By deleting "officer" and substituting "person".

782 By adding—

"(2A) On the entry of the statement in the Companies Register under subsection (2)(b), the company is no longer a registered non-Hong Kong company.".

782(3) By deleting "officer" and substituting "person".

783(1) By deleting "14" and substituting "15".

783 By adding—

"(2A) On the entry of the statement in the Companies Register under subsection (2)(b), the company is no longer a registered non-Hong Kong company.".

783(4)	By deleting everything after "the person" and substituting "did not know, and had no reason to believe, that the registered non-Hong Kong company was dissolved.".
785(1)(b)	By deleting "is not in operation or carrying on business" and substituting "has ceased to have a place of business in Hong Kong".
785(2)(a)(ii)(B)	By deleting "is not in operation or carrying on business" and substituting "has ceased to have a place of business in Hong Kong".
786(4)	By deleting "The" and substituting "Subject to subsection (4A), the".
786	By adding—
	"(4A) Subsection (4) does not prohibit the non-Hong Kong company from having a place of business in Hong Kong that is established after the publication of the notice under subsection (2) if it applies for registration under section 764(2) within one month after establishing that place of business.".
786(5)	By deleting "officer" and substituting "person".
788(2)(a)	By deleting ", at the time" and substituting "at the time of the application, and at any time within the period of 6 months before".
790(2)(c)	By adding "company or" after "each".
805(7)	In the English text, by deleting "objections" and substituting "objects".
807	By deleting subclauses (3), (4) and (5).
811	By deleting subclause (2) and substituting—
	"(2) The period is the period set out in subsection (3), (4) or (4A).".
811(3) and (4)	By deleting "(2)(b)" and substituting "(2)".

811 By adding—

"(4A) If the articles, instrument or agreement does not specify the period, the period set out for the purposes of subsection (2) is 48 hours.".

811(5) By deleting "(2)(a)" and substituting "(4A)".

812(2) By deleting paragraph (a) and substituting—

"(a) the second business day after the day on which the document or information is sent or supplied;".

816(2)(c)(i) In the Chinese text, by deleting "輔以適合的矯正視力鏡片的眼睛" and substituting "在輔以適合的矯正視力鏡片的情況下".

816(7)(a) By adding ", unless the contrary is proved" before the semicolon.

816(7)(b) By adding ", unless the contrary is proved" after "812".

817(5)(a) By adding ", unless the contrary is proved" after "812".

819(3)(c)(i) In the Chinese text, by deleting "輔以適合的矯正視力鏡片的眼睛" and substituting "在輔以適合的矯正視力鏡片的情況下".

819(7)(a) By adding ", unless the contrary is proved" before the semicolon.

819(7)(b) By adding ", unless the contrary is proved" after "812".

820(5)(a) By adding ", unless the contrary is proved" after "812".

821(3)(b)(i) In the Chinese text, by deleting "輔以適合的矯正視力鏡片的眼睛" and substituting "在輔以適合的矯正視力鏡片的情況下".

821(4) and (5) By adding ", subject to subsection (10A)," before "to be regarded as having agreed".

821 By adding—

"(10A) For the purposes of subsections (4) and (5), a person is not to be regarded as having agreed that the document or information may be sent or supplied by the company to the person by making it available on a website if—

(a) in the case of subsection (4), except where subsection (4)(b) does not apply by virtue of subsection (10), it is proved that the person has not received the request under subsection (4)(b); or

(b) in the case of subsection (5), except where subsection (5)(b) does not apply by virtue of subsection (10), it is proved that the person has not received the request under subsection (5)(b).".

825(3) By deleting everything after "level 3" and substituting a full stop.

830(1) By adding "for registration" after "Registrar".

830(2) By deleting "a reasonable time after" and substituting "15 days after the date of".

833 By deleting subclause (2) and substituting—

"(2) If the inspector is appointed under section 829(1), the Financial Secretary must not give directions under subsection (1)(a) unless—

(a) it appears to the Financial Secretary that—

(i) matters have come to light in the course of the investigation which suggest that a criminal offence under the laws of Hong Kong has been committed; and

(ii) those matters have been referred to a law enforcement agency; or

(b) the giving of the directions is approved by the Court.".

843(4) By adding "for registration" after "Registrar".

844(4) By adding "for registration" after "Registrar".

849(2) By adding "for registration" after "Registrar".

854(1) In the English text, by adding "be" before "defrayed".

854(8)(a) By adding "reasonable" before "expenses".

865 By deleting subclause (1) and substituting—

"(1) If a magistrate is satisfied on information on oath that there are reasonable grounds to suspect that there is, or is likely to be, on premises specified in the information any record or document that may be required to be produced under Division 2 or 3, the magistrate may issue a warrant in respect of the premise.

(1A) For the purposes of subsection (1), the information—

(a) must set out—

(i) the nature of the record or document that is, or is likely to be, on the premises; and

(ii) the provision of Division 2 or 3 under which the record or document may be required to be produced; and

(b) must be laid by—

(i) in relation to an investigation under Division 2, an inspector; or

(ii) in relation to an enquiry under Division 3, the Financial Secretary or a delegate of the Financial Secretary.".

867(6) By deleting "168J(2)" and substituting "168J(1)".

867(6) By deleting paragraphs (a) and (b) and substituting—

"(a) a company as defined by section 2(1);

(b) an unregistered company as defined by section 326(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) (other than a partnership, whether limited or not, or an association), wherever incorporated, that—

(i) is carrying on business in Hong Kong, or has carried on business in Hong Kong; and

(ii) may be wound up under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32); or

(c) a registered non-Hong Kong company,".

868(3)(e) In the Chinese text, by adding "協助任何其他人" after "查訊中".

883(1) By adding—

"**Note—**

Please also see section 861 which empowers the Registrar to require the production of records or documents, and the provision of information or explanation in respect of the records or documents, for the purpose of enquiring into whether any act that would constitute an offence under this subsection has been done.".

885 In the heading, by adding "**records or**" after "**production of**".

885(1)(b)(i) and (ii) By deleting "books or papers" and substituting "record or document".

885 By deleting subclauses (2) and (3) and substituting—

"(2) The Court may, in the case of a record or document mentioned in subsection (1)(b)(i), make an order—

(a) authorizing a person named in the order to inspect the record or document for the purpose of investigating and obtaining evidence of the offence; or

(b) requiring the company secretary of the company, or any other officer of the company named in the order, to produce the record or document to a person, and at a place, named in the order.

(3) The Court may, in the case of a record or document mentioned in subsection (1)(b)(ii), make an order authorizing a person named in the order to inspect the record or document for the purpose of investigating and obtaining evidence of the offence.

(4) In this section—

document (文件) has the meaning given by section 826(1);

record (紀錄) has the meaning given by section 826(1).".

887(1) By deleting paragraph (b) and substituting—

"(b) contains—

(i) in the case of an offence mentioned in subsection (5), the terms of the notice by reference to that subsection; or

(ii) in the case of an offence mentioned in subsection (6), the terms of the notice by reference to that subsection;".

889 By deleting subclause (1) and substituting—

"(1) When imposing a fine under this Ordinance, the court may direct that the whole or any part of the fine is to be applied in or towards payment of the costs of the proceedings.".

889 By deleting subclause (4).

897 By deleting subclauses (3) and (4).

900 By deleting the clause and substituting—

"**900. Amendments to enactments**

(1) The enactments specified in Schedules 9 and 9A are amended as set out in those Schedules.

(2) The Financial Secretary may, by notice published in the Gazette—

(a) amend Schedule 9 or 9A to make such consequential or related amendments to any enactment as are necessary on account of the coming into operation of any provision of this Ordinance; or

(b) repeal any provision in Schedule 9 or 9A that is no longer necessary on account of the coming into operation of any provision of this Ordinance.".

901(2) By deleting "Chief Executive in Council" and substituting "Financial Secretary".

902 By adding—

"(3A) Section 304(1) and (2) of, and the Eighth Schedule to, the predecessor Ordinance, as in force immediately before their repeal, continue to apply in respect of a matter that is required or authorized by or under a provision of the predecessor Ordinance having a continuing effect as mentioned in subsection (1) if, immediately before that provision was repealed by section 900, a fee specified in that Schedule was payable to the Registrar in respect of that matter.".

908 By adding ", 9A" after "9".

909(4) By deleting "or purposes" and substituting "and purposes".

Schedule 1, section 1 In the English text, in the definition of ***shares***, in paragraph (c)(i), by adding "giving rise to a" before "liability".

Schedule 1, section 1 In the English text, in the definition of ***shares***, in paragraph (c)(ii), by deleting the full stop and substituting a semicolon.

Schedule 1, section 1 By adding—

"***undertaking*** (企業) means—

(a) a body corporate;

(b) a partnership; or

(c) an unincorporated association carrying on a trade or business, whether for profit or not.".

Schedule 1, section 2(2)

By deleting paragraph (a) and substituting—

"(a) the provisions contained in any document constituting or regulating that other undertaking; or".

Schedule 1, section 2(2)(b)

By deleting subparagraph (i) and substituting—

"(i) is of a kind authorized by any document constituting or regulating that other undertaking; and".

Schedule 1

By deleting section 4.

Schedule 2, section 3(2)

By deleting "must be a place in Hong Kong and".

Schedule 2, section 4(b)(i)

In the English text, by deleting "he or she has consented" and substituting "the person has consented".

Schedule 2, section 8(1)(d)

By deleting subparagraphs (ii) and (iii) and substituting—

"(ii) the total amount of share capital in that class to be subscribed by the company's founder members on that formation;

(iii) the amount to be paid up or to be regarded as paid up, and the amount to remain unpaid or to be regarded as remaining unpaid, on the total number of shares in that class that the company proposes to issue on that formation;

(iv) the particulars of any voting rights attached to shares in that class, including rights that arise only in certain circumstances;

(v) the particulars of any rights attached to shares in that class, as respects dividends, to participate in a distribution;

(vi) the particulars of any rights attached to shares in that class, as respects capital, to participate in a distribution (including on a winding up); and

(vii) whether or not shares in that class are redeemable shares; and".

Schedule 3 — By deleting "[ss. 359, 360, 361" and substituting "[ss. 358A, 359, 359A, 360, 361, 361A".

Schedule 3, section 1(1) — By deleting paragraphs (a), (b) and (c) and substituting—

"(a) that the amount of the company's total revenue for the financial year, as would be reflected in the company's annual financial statements for the financial year if the company were qualified as a small private company for the financial year, does not exceed $100 million;

(b) that the amount of the company's total assets at the date of the statement of financial position for the financial year, as would be reflected in the company's annual financial statements for the financial year if the company were qualified as a small private company for the financial year, does not exceed $100 million; and

(c) that the average number of the company's employees during the financial year does not exceed 100.".

Schedule 3, section 1(2)(a) and (b) — By deleting "$50" and substituting "$100".

Schedule 3, section 1(2)(c) — By deleting "50" and substituting "100".

Schedule 3, section 1 — By adding—

"(2A) The conditions specified for the purposes of section 359A(1), (2) and (3) are—

(a) that the amount of the company's total revenue for the financial year, as would be reflected in the company's annual financial statements for the financial year if the company were qualified as an eligible private company for the financial year, does not exceed $200 million;

(b) that the amount of the company's total assets at the date of the statement of financial position for the financial year, as would be reflected in the company's annual financial statements for the financial year if the company were qualified as an eligible private company for the financial year, does not exceed $200 million; and

(c) that the average number of the company's employees during the financial year does not exceed 100.

(2B) The conditions specified for the purposes of section 359A(4) are—

(a) that the amount of the company's total revenue for the financial year, as reflected in the company's annual financial statements for the financial year, does not exceed $200 million;

(b) that the amount of the company's total assets at the date of the statement of financial position for the financial year, as reflected in the company's annual financial statements for the financial year, does not exceed $200 million; and

(c) that the average number of the company's employees during the financial year does not exceed 100.".

Schedule 3, section 1(3) — By deleting "is qualified" and substituting "were qualified".

Schedule 3, section 1(6)(a) and (b) — By deleting "$50" and substituting "$100".

Schedule 3, section 1(6) — By deleting paragraph (c) and substituting—

"(c) that the aggregate number of employees of the group during the financial year does not exceed 100.".

Schedule 3, section 1(7)(a) and (b)

By deleting "$50" and substituting "$100".

Schedule 3, section 1(7)

By deleting paragraph (c) and substituting—

"(c) that the aggregate number of employees of the group during the financial year does not exceed 100.".

Schedule 3, section 1

By adding—

"(7A) The condition specified for the purposes of section 361A(1), (2), (3), (4) and (5) is that each company in the group is qualified as an eligible private company for the financial year.

(7B) The conditions specified for the purposes of section 361A(1), (2) and (3) are—

(a) that the aggregate amount of the group's total revenue for the financial year does not exceed $200 million;

(b) that the aggregate amount of the group's total assets at the date of the statement of financial position for the financial year does not exceed $200 million; and

(c) that the aggregate number of employees of the group during the financial year does not exceed 100.

(7C) The conditions specified for the purposes of section 361A(4) and (5) are—

(a) that the aggregate amount of the group's total revenue for the financial year does not exceed $200 million;

(b) that the aggregate amount of the group's total assets at the date of the statement of financial position for the financial year does not exceed $200 million; and

(c) that the aggregate number of employees of the group during the financial year does not exceed 100.".

Schedule 3, section 1(10)

By deleting "(3), (5), (6)" and substituting "(2A), (3), (5), (6), (7A), (7B)".

Schedule 3, section 1(10)(a)	By deleting "360(2), 361(2)" and substituting "359A(2), 360(2), 361(2), 361A(2)".
Schedule 3, section 2(1)	By deleting "(3), (4), (6)(a), (7)(a)" and substituting "(2A)(a), (2B)(a), (3), (4), (6)(a), (7)(a), (7B)(a), (7C)(a)".
Schedule 3, section 2(2)	By adding ", 1(7B)" after "1(6)".
Schedule 3, section 2(2)(a)	By deleting everything after "if the group" and substituting "were qualified as a group of small private companies, eligible private companies or small guarantee companies (as the case may be); and".
Schedule 3, section 2(3)	By adding ", 1(7C)" after "1(7)".
Schedule 3, section 2	By adding— "(3A) For the purposes of section 1(6)(c), (7)(c), (7B)(c) and (7C)(c) of this Schedule, the aggregate number of employees of the group during a financial year is to be calculated by aggregating the average number of employees of each company in the group during the financial year.".
Schedule 3, section 2(4)	By deleting "For the purposes of section 1(1)(c), (2)(c), (6)(c) and (7)(c)" and substituting "For the purposes of subsection (3A) and of section 1(1)(c), (2)(c), (2A)(c) and (2B)(c)".
Schedule 3, section 2(4)	In the Chinese text, by deleting "在該財政年度內的每一個月終結時，公司的僱員人數" and substituting "將在該財政年度內的所有月份終結時的公司僱員人數相加後".
Schedule 6, section 2	By deleting everything after "company's shares" and substituting "as at the date of the return.".
Schedule 7	By adding immediately before item 1— "1A. An offence under section 69(2)".

Schedule 8 By deleting section 13 and substituting—

"**13. Section 626 amended (Register to be proof in the absence of contrary evidence)**

(1) Section 626—

Renumber the section as section 626(1).

(2) After section 626(1)—

Add

"(2) Without limiting subsection (1), in the absence of evidence to the contrary, an entry in the register of members recording a person as holding any share is proof of the person's title to the share.".".

Schedule 9 In the heading, by repealing "**Amendments**" and substituting "**and Related Amendments to Companies Ordinance (Cap. 32) and its Subsidiary Legislation**".

Schedule 9 By deleting Parts 1, 2, 3, 4 and 5 and substituting—

"Part 1

Amendments to Companies Ordinance (Cap. 32)

1. Long title substituted

Long title—

Repeal the long title

Substitute

"To make provision for the winding up of companies; for receivers and managers; for offering of shares and debentures; for prospectuses; for disqualification of directors; for prevention of evasion of the Societies Ordinance; and for incidental and connected matters.".

2. Section 1 amended (Short title)

Section 1—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

3. Section 2 amended (Interpretation)

(1) Section 2(1)—

Repeal the definition of *articles*

Substitute

"***articles*** (章程細則), in relation to a company, means the articles of association of the company;

Note—

Please also see section 93 of the Companies Ordinance (of 2012). A condition of an existing company's memorandum of association is to be regarded as a provision of the company's articles.".

(2) Section 2(1)—

Repeal the definition of *company*

Substitute

"***company*** (公司) means—

(a) a company formed and registered under the Companies Ordinance (of 2012); or

(b) an existing company;".

(3) Section 2(1)—

Repeal the definition of *debenture*

Substitute

"***debenture*** (債權證), in relation to a company, includes debenture stock, bonds and any other debt securities of the company, whether or not constituting a charge on the assets of the company;".

(4) Section 2(1)—

Repeal the definition of *existing company*

Substitute

"***existing company*** (原有公司) means a company formed and registered under a former Companies Ordinance;".

(5) Section 2(1)—

Repeal the definition of *founder member*

Substitute

"***founder member*** (創辦成員) has the meaning given by section 2(1) of the Companies Ordinance (of 2012);".

(6) Section 2(1)—

Repeal the definition of *non-Hong Kong company*

Substitute

"***non-Hong Kong company*** (非香港公司) means a company incorporated outside Hong Kong that—

(a) establishes a place of business in Hong Kong on or after the commencement date of Part 16 of the Companies Ordinance (of 2012); or

(b) has established a place of business in Hong Kong before that commencement date and continues to have a place of business in Hong Kong at that commencement date;".

(7) Section 2(1), definition of ***officer***—

Repeal

"secretary"

Substitute

"company secretary of the body corporate".

(8) Section 2(1), definition of ***place of business***—

Repeal

"assigned to it by section 341(1)"

Substitute

"given by section 762(1) of the Companies Ordinance (of 2012)".

(9) Section 2(1), definition of ***printed***—

Repeal

"or by such other process as the Registrar in his discretion may accept".

(10) Section 2(1), definition of ***private company***—

Repeal

"assigned to it by section 29"

Substitute

"given by section 10 of the Companies Ordinance (of 2012) for the purposes of that Ordinance".

(11) Section 2(1), definition of ***Registrar***—

Repeal

"section 303"

Substitute

"section 20(1) of the Companies Ordinance (of 2012)".

(12) Section 2(1)—

Repeal the definition of *shadow director*

Substitute

"***shadow director*** (幕後董事), in relation to a body corporate, means a person in accordance with whose directions or instructions (excluding advice given in a professional capacity) the directors, or a majority of the directors, of the body corporate are accustomed to act;".

(13) Section 2(1)—

Repeal the definition of *share*

Substitute

"***share*** (股份)—

(a) means a share in a company's share capital; and

(b) if any of the company's shares is converted into stock, includes stock;".

(14) Section 2(1)—

Repeal the definition of *unlimited company*

Substitute

"***unlimited company*** (無限公司) has the meaning given by section 9 of the Companies Ordinance (of 2012) for the purposes of that Ordinance.".

(15) Section 2(1), Chinese text, definition of ***公司集團***—

Repeal

"控股公司"

Substitute

"控權公司".

(16) Section 2(1)—

Repeal the definitions of *accounts, annual return, company limited by guarantee* and *company limited by shares, digital signature, electronic record, entitled person, financial year, group accounts, incorporation form, listed company, memorandum, notice of intent, offer to sell, recognized certificate, Registrar's index of company names, relevant financial documents, reserve director, resolution for reducing share capital, share warrant, summary financial report, Table A* and *unlisted company*.

(17) Section 2(1)—

Add in alphabetical order

"***Companies Register*** (公司登記冊) has the meaning given by section 2(1) of the Companies Ordinance (of 2012);

company limited by guarantee (擔保有限公司) has the meaning given by section 8 of the Companies Ordinance (of 2012) for the purposes of that Ordinance;

company limited by shares (股份有限公司) has the meaning given by section 7 of the Companies Ordinance (of 2012) for the purposes of that Ordinance;

company secretary (公司秘書) includes any person occupying the position of company secretary (by whatever name called);

financial statements (財務報表) means—

(a) the annual financial statements; or

(b) the annual consolidated financial statements,

as defined by section 356(1) of the Companies Ordinance (of 2012);

former Companies Ordinance (《舊有公司條例》) means—

(a) the Companies Ordinance 1865 (1 of 1865);

(b) the Companies Ordinance 1911 (58 of 1911); or

(c) the pre-amended Ordinance;

limited company (有限公司) means a company limited by guarantee or a company limited by shares;

member (成員), in relation to a company, means—

(a) a founder member of the company; or

(b) a person who agrees to become a member of the company and whose name is entered, as a member, in the company's register of members;

ordinary resolution (普通決議) has the meaning given by section 553 of the Companies

Ordinance (of 2012);

pre-amended Ordinance (《修訂前的本條例》) means the Companies Ordinance (Cap. 32) as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012);

registered non-Hong Kong company (註冊非香港公司) means a non-Hong Kong company that is registered in the Companies Register as a registered non-Hong Kong company;

special resolution (特別決議) has the meaning given by section 554 of the Companies Ordinance (of 2012);".

(18) Section 2—

Repeal subsection (2).

(19) Section 2(4)(a)(ii)—

Repeal

"power"

Substitute

"rights".

(20) Section 2(7), Chinese text—

Repeal

"控股公司"

Substitute

"控權公司".

(21) Section 2—

Repeal subsection (8A).

4. Section 2B amended (Construction of references to parent company, etc.)

(1) Section 2B(2)(a), Chinese text—

Repeal

"控股公司"

Substitute

"控權公司".

(2) Section 2B(3)—

Repeal

everything after "subsection (2) are"

Substitute

"the Third Schedule and the Fourth Schedule.".

5. Part I repealed

Part I—

Repeal the Part.

6. Section 38 amended (Specific requirements as to particulars in prospectus)

Section 38(6)—

Repeal

everything after "may incur"

Substitute

"under—

(a) the general law;

(b) the provisions of the pre-amended Ordinance having a continuing effect under Schedule 10 to the Companies Ordinance (of 2012) or by virtue of section 23 of the Interpretation and General Clauses Ordinance (Cap. 1);

(c) this Ordinance apart from this section; or

(d) the Companies Ordinance (of 2012).".

7. Section 38C amended (Expert's consent to issue of prospectus containing statement by him)

Section 38C(1)(a), Chinese text—

Repeal

"註冊"

Substitute

"登記".

8. Section 38D amended (Registration of prospectus)

(1) Section 38D, Chinese text, heading—

Repeal

"註冊"

Substitute

"登記".

(2) Section 38D(2)(c)—

Repeal

"or specified by the Registrar under section 346 which are applicable to prospectuses to be registered under this Part"

Substitute

"and the requirements set out in subsection (7A)".

(3) Section 38D(7)(a)(iii)—

Repeal

"and".

(4) Section 38D(7)(a)(iv)—

Repeal

"or specified by the Registrar under section 346 which are applicable to prospectuses to be registered under this Part"

Substitute

"and the requirements set out in subsection (7A)".

(5) After section 38D(7)(a)(iv)—

Add

"(v) it is accompanied by any fee that is payable, in respect of the registration, under a regulation made under section 25 of the Companies Ordinance (of 2012); and".

(6) Section 38D(7)(b)—

Repeal

"and (iv)"

Substitute

", (iv) and (v)".

(7) After section 38D(7)—

Add

"(7A) The following are the requirements set out for the purposes of subsections (2)(c) and (7)(a)(iv)—

(a) any requirement that the Registrar may specify, by notice in the Gazette, in relation to font size of prospectuses for the purposes of this section;

(b) any other requirements that the Registrar may specify for the purpose of—

(i) ensuring that documents of the

same kind are of a standard form; and

(ii) enabling the Registrar to make copies or image records of documents and to make and keep records of the information contained in them.

(7B) For the purposes of subsection (7A)(b), the Registrar may specify different requirements for different documents or classes of documents.".

(8) Section 38D(1), (2)(a) and (b), (3), (5)(a) and (b), (6), (7)(a) and (b), (8) and (9), Chinese text—

Repeal

"註冊" (wherever appearing)

Substitute

"登記".

9. Section 39C amended (Submission of certified copies)

Section 39C(b)(i)—

Repeal

"secretary" (wherever appearing)

Substitute

"company secretary".

10. Section 40 amended (Civil liability for misstatements in prospectus)

(1) Section 40(2)(c) and (d)(i) and (ii) and (3)(b) and (c), Chinese text—

Repeal

"分配"

Substitute

"配發".

(2) Section 40(2)(d)(ii) and (3)(a) and (b), Chinese text—

Repeal

"註冊"

Substitute

"登記".

11. Section 41 amended (Document containing offer of shares or debentures for sale to be deemed prospectus)

Section 41(1), (2) and (3)(b), Chinese text—

Repeal

"分配" (wherever appearing)

Substitute

"配發".

12. Cross-heading before section 42 amended

Cross-heading before section 42, Chinese text—

Repeal

"分配"

Substitute

"配發".

13. Section 42 amended (Prohibition of allotment unless minimum subscription received)

(1) Section 42, Chinese text, heading—

Repeal

"分配"

Substitute

"**配發**".

(2) Section 42(1), Chinese text—

Repeal

"分配"

Substitute

"配發".

(3) Section 42(3)—

Repeal

"nominal amount"

Substitute

"issue price".

(4) Section 42(6), Chinese text—

Repeal

"分配" (wherever appearing)

Substitute

"配發".

14. Section 43 amended (Prohibition of allotment in certain cases unless statement in lieu of prospectus delivered to Registrar)

(1) Section 43, Chinese text, heading—

Repeal

"**分配**"

Substitute

"**配發**".

(2) Section 43(1), Chinese text—

Repeal

"分配" (wherever appearing)

Substitute

"配發".

(3) Section 43(1), Chinese text—

Repeal

"註冊"

Substitute

"登記".

(4) Section 43(3), Chinese text—

Repeal

"分配"

Substitute

"配發".

(5) Section 43(5), Chinese text—

Repeal

"註冊" (wherever appearing)

Substitute

"登記".

15. Section 44 amended (Effect of irregular allotment)

(1) Section 44, Chinese text, heading—

Repeal

"**分配**"

Substitute

"**配發**".

(2) Section 44(1) and (2), Chinese text—

Repeal

"分配" (wherever appearing)

Substitute

"配發".

16. Section 44A amended (Applications for, and allotment of, shares and debentures)

(1) Section 44A, Chinese text, heading—

Repeal

"**分配**"

Substitute

"**配發**".

(2) Section 44A(1), (2), (4) and (5), Chinese text—

Repeal

"分配"

Substitute

"配發".

17. Section 44B amended (Allotment of shares and debentures to be listed on stock exchange)

(1) Section 44B, Chinese text, heading—

Repeal

"**分配**"

Substitute

"**配發**".

(2) Section 44B(1) and (6)(b)(i), Chinese text—

Repeal

"分配"

Substitute

"配發".

18. Section 45 repealed (Return as to allotments)

Section 45—

Repeal the section.

19. Cross-heading before section 46 repealed

Cross-heading before section 46—

Repeal the cross-heading.

20. Section 46 repealed (Power to pay certain commissions, and prohibition of payment of all other commissions, discounts, &c.)

Section 46—

Repeal the section.

21. Cross-headings before section 47A repealed

Cross-headings before section 47A—

Repeal the cross-headings.

22. Sections 47A, 47B and 47C repealed

Sections 47A, 47B and 47C—

Repeal the sections.

23. Cross-heading before section 47D repealed

Cross-heading before section 47D—

Repeal the cross-heading.

24. Section 47D repealed (Special restriction for listed companies)

Section 47D—

Repeal the section.

25. Cross-heading before section 47E repealed

Cross-heading before section 47E—

Repeal the cross-heading.

26. Sections repealed

Sections 47E, 47F, 47G and 48—

Repeal the sections.

27. Cross-heading before section 48B repealed

Cross-heading before section 48B—

Repeal the cross-heading.

28. Section 48B repealed (Application of premiums received on issue of shares)

Section 48B—

Repeal the section.

29. Cross-heading before section 48C repealed

Cross-heading before section 48C—

Repeal the cross-heading.

30. Sections repealed

Sections 48C, 48D, 48E and 48F—

Repeal the sections.

31. Cross-headings before section 49 repealed

Cross-headings before section 49—

Repeal the cross-headings.

32. Sections repealed

Sections 49, 49A, 49B, 49BA, 49C, 49D, 49E, 49F, 49G and 49H—

Repeal the sections.

33. Cross-heading before section 49I repealed

Cross-heading before section 49I—

Repeal the cross-heading.

34. Sections repealed

Sections 49I, 49J, 49K, 49L, 49M, 49N and 49O—

Repeal the sections.

35. Cross-heading before section 49P repealed

Cross-heading before section 49P—

Repeal the cross-heading.

36. Sections repealed

Sections 49P, 49Q, 49R, 49S and 50—

Repeal the sections.

37. Cross-heading before section 51 repealed

Cross-heading before section 51—

Repeal the cross-heading.

38. Sections repealed

Sections 51, 52, 53, 54, 55, 56, 57, 57A, 57B and 57C—

Repeal the sections.

39. Cross-heading before section 58 repealed

Cross-heading before section 58—

Repeal the cross-heading.

40. Sections repealed

Sections 58, 59, 60, 61, 61A, 62 and 63—

Repeal the sections.

41. Cross-heading before section 63A repealed

Cross-heading before section 63A—

Repeal the cross-heading.

42. Sections 63A, 64 and 64A repealed

Sections 63A, 64 and 64A—

Repeal the sections.

43. Cross-heading before section 65 repealed

Cross-heading before section 65—

Repeal the cross-heading.

44. Sections repealed

Sections 65, 65A, 66, 67, 68, 69, 69A, 70, 71, 71A, 72, 73, 73A and 74—

Repeal the sections.

45. Sections repealed

Sections 74A, 74B, 75, 75A, 75B, 76, 77 and 78—

Repeal the sections.

46. Parts IIA and III repealed

Parts IIA and III—

Repeal the Parts.

47. Cross-heading before section 92 repealed

Cross-heading before section 92—

Repeal the cross-heading.

48. Sections 92, 93 and 94 repealed

Sections 92, 93 and 94—

Repeal the sections.

49. Sections repealed

Sections 95, 95A, 96, 97, 98, 98A, 99, 100, 101 and 102—

Repeal the sections.

50. Cross-heading before section 103 repealed

Cross-heading before section 103—

Repeal the cross-heading.

51. Sections 103, 104 and 106 repealed

Sections 103, 104 and 106—

Repeal the sections.

52. Cross-heading before section 107 repealed

Cross-heading before section 107—

Repeal the cross-heading.

53. Sections 107, 109 and 110 repealed

Sections 107, 109 and 110—

Repeal the sections.

54. Cross-heading before section 111 amended

Crossing-heading before section 111—

Repeal

"and Proceedings".

55. Sections repealed

Sections 111, 113, 114, 114A, 114AA, 114B, 114C, 114D and 114E—

Repeal the sections.

56. Section 115 substituted

Section 115—

Repeal the section

Substitute

"115. Representation of companies at meetings of creditors

(1) A corporation may, if it is a creditor (including a holder of debentures) of a company, by resolution of its directors or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of any creditors of the company held in pursuance of this Ordinance or of any rules made under it.

(2) A person authorized under subsection (1) is entitled to exercise the same powers on behalf of the corporation which the person represents as that corporation could exercise if it were an individual creditor of the company.".

57. Sections repealed

Sections 115A, 116, 116A, 116B, 116BA, 116BB, 116BC, 116C, 117, 118, 119, 119A and 120—

Repeal the sections.

58. Cross-heading before section 121 repealed

Cross-heading before section 121—

Repeal the cross-heading.

59. Sections repealed

Sections 121, 122, 123, 124, 125, 126, 127, 128, 129, 129A, 129B, 129C, 129D, 129E, 129F, 129G, 131, 132, 133, 134, 140, 140A, 140B, 141 and 141C—

Repeal the sections.

60. Cross-heading before section 141CA repealed

Cross-heading before section 141CA—

Repeal the cross-heading.

61. Sections repealed

Sections 141CA, 141CB, 141CC, 141CD, 141CE, 141CF and 141CG—

Repeal the sections.

62. Cross-heading before section 141D repealed

Cross-heading before section 141D—

Repeal the cross-heading.

63. Section 141D repealed (Power of shareholders of certain private companies to waive compliance with requirements as to accounts)

Section 141D—

Repeal the section.

64. Cross-heading before section 141E repealed

Cross-heading before section 141E—

Repeal the cross-heading.

65. Section 141E repealed (Voluntary revision of accounts, summary financial reports or directors' reports)

Section 141E—

Repeal the section.

66. Cross-heading before section 142 repealed

Cross-heading before section 142—

Repeal the cross-heading.

67. Sections repealed

Sections 142, 143, 144, 145, 145A, 145B, 146, 146A, 147, 148, 149, 150, 151 and 152—

Repeal the sections.

68. Cross-heading before section 152A repealed

Cross-heading before section 152A—

Repeal the cross-heading.

69. Sections repealed

Sections 152A, 152B, 152C, 152D, 152E and 152F—

Repeal the sections.

70. Cross-heading before section 152FA repealed

Cross-heading before section 152FA—

Repeal the cross-heading.

71. Sections repealed

Sections 152FA, 152FB, 152FC, 152FD and 152FE—

Repeal the sections.

72. Cross-heading before section 153 repealed

Cross-heading before section 153—

Repeal the cross-heading.

73. Sections repealed

Sections 153, 153A, 153B, 153C, 154, 154A, 154B, 155, 155A, 155B, 155C, 156, 157, 157A, 157B, 157C, 157D, 157H, 157HA, 157I, 157J, 158, 158A, 158B, 158C, 159, 160, 161, 161A, 161B, 161BA, 161BB, 161C, 162, 162A, 162B, 163, 163A, 163B, 163C, 163D and 164—

Repeal the sections.

74. Cross-heading before section 165 repealed

Cross-heading before section 165—

Repeal the cross-heading.

75. Section 165 repealed (Provisions as to liability of officers and auditors)

Section 165—

Repeal the section.

76. Cross-heading before section 166 repealed

Cross-heading before section 166—

Repeal the cross-heading.

77. Sections repealed

Sections 166, 166A, 167 and 168—

Repeal the sections.

78. Cross-heading before section 168A repealed

Cross-heading before section 168A—

Repeal the cross-heading.

79. Sections 168A and 168B repealed

Sections 168A and 168B—

Repeal the sections.

80. Parts IVAAA and IVAA repealed

Parts IVAAA and IVAA—

Repeal the Parts.

81. Section 168C amended (Interpretation)

(1) Section 168C(1)(c)—

Repeal

"non-Hong Kong company that is registered under Part XI"

Substitute

"registered non-Hong Kong company".

(2) Section 168C—

Repeal subsection (2).

82. Section 168F amended (Disqualification for persistent breaches of Ordinance)

(1) Section 168F, heading—

Repeal

"**Ordinance**"

Substitute

"**specified provisions**".

(2) Section 168F(1)—

Repeal

everything after "appears to it that"

Substitute

"the person has been persistently in default in relation to the specified provisions.".

(3) Section 168F(2)—

Repeal

everything after "in default in relation to"

Substitute

"the specified provisions may (without prejudice to its proof in any other manner) be conclusively proved by showing that in the 5 years ending with the date of application the person has been adjudged guilty (whether or not on the same occasion) of 3 or more defaults in relation to the specified provisions.".

(4) Section 168F(3)—

Repeal

everything after "a default in relation to"

Substitute

"a specified provision if—

(a) the person is convicted of an offence consisting in a contravention of a specified provision (whether on the person's own part or on the part of any company); or

(b) an order of the court is made against the person under—

(i) in the case of a specified provision of the pre-amended Ordinance or this Ordinance, section 279, 302 or 306; or

(ii) in the case of a specified provision of the Companies Ordinance (of 2012), section 886 of that Ordinance.".

(5) Section 168F(4)—

Repeal

"him"

Substitute

"the person".

(6) After section 168F(4)—

Add

"(4A) In this section—

specified provision (指明條文) means a provision of the pre-amended Ordinance, this Ordinance, or the Companies Ordinance (of 2012), requiring—

(a) any return, accounts or other document to be filed with, or delivered or sent to, the Registrar; or

(b) notice of any matter to be given to the Registrar.".

83. Section 168G amended (Disqualification for fraud, etc., in winding up)

Section 168G(3), Chinese text—

Repeal

"影子"

Substitute

"幕後".

84. Section 168H amended (Duty of court to disqualify unfit directors of insolvent companies)

Section 168H(3), Chinese text—

Repeal

"影子"

Substitute

"幕後".

85. Section 168J substituted

Section 168J—

Repeal the section

Substitute

"168J. Disqualification after investigation of company

(1) The court may make a disqualification order against a person where, on an application under section 867(6) of the Companies Ordinance (of 2012), it is satisfied that the person's conduct in relation to the company makes the person unfit to be concerned in the management of a company.

(2) The maximum period of disqualification under this section is 15 years.".

86. Section 168K amended (Matters for determining unfitness of directors)

Section 168K(4), Chinese text—

Repeal

"影子"

Substitute

"幕後".

87. Section 168N amended (Offences by body corporate)

Section 168N(1)—

Repeal

"secretary"

Substitute

"company secretary".

88. Section 168O amended (Personal liability for company's debts where person acts while disqualified)

Section 168O(1)(a)—

Repeal

"section 156"

Substitute

"section 471(1) of the Companies Ordinance (of 2012)".

89. Section 168R amended (Register of disqualification orders)

Section 168R(4)—

Repeal

"specified in the Eighth Schedule"

Substitute

"payable under a regulation made under section 25 of the Companies Ordinance (of 2012)".

90. Section 170 amended (Liability as contributories of present and past members)

(1) Section 170(1)(f)—

Repeal

"this Ordinance"

Substitute

"this Ordinance or the Companies Ordinance (of 2012)".

(2) Section 170(2)—

Repeal

"this Ordinance"

Substitute

"the pre-amended Ordinance".

91. Section 177 amended (Circumstances in which company may be wound up by court)

(1) Section 177(1)(e)—

Repeal

"memorandum or".

(2) Section 177(2)(c)—

Repeal

"secretary"

Substitute

"company secretary".

(3) Section 177(2)(d)—

Repeal

"company has failed to pay the annual registration fee payable under the Eighth Schedule"

Substitute

"company—

(i) had failed to pay the annual registration fee payable under the Eighth Schedule of

the pre-amended Ordinance; or

(ii) has failed to pay the annual registration fee payable under a regulation made under section 25 of the Companies Ordinance (of 2012)".

(4) Section 177(2)(e)—

Repeal

"obligations under this Ordinance"

Substitute

"specified obligations".

(5) Section 177(3)—

Repeal

"conditions contained in its memorandum by adding a condition to the effect that the company shall be dissolved on the occurrence of a specified event, with or without a provision providing for or prohibiting the alteration of that condition"

Substitute

"provisions contained in its articles by adding a provision to the effect that the company is to be dissolved on the occurrence of a specified event, with or without another provision providing for or prohibiting the alteration of the added provision".

(6) Section 177(4)—

Repeal

"conditions contained in its memorandum, subsections (2)(*a*), (3), (4), (7) and (8) of section 8 shall apply in relation to the alteration and to any application made under this section in the same manner as they apply in relation to alterations and to applications made under section 8."

Substitute

"provisions contained in its articles, sections 85(5)(a), (5)(b) and (8) and 86(1)(a), (5) and (6) of the Companies Ordinance (of 2012) apply in

relation to the alteration and to any application made under this section in the same manner as they apply in relation to alterations made under that section 85 and to applications made under that section 86.".

(7) Section 177(5)—

Repeal

"conditions contained in its memorandum, subsections (7A) and (8) of section 8 shall apply in relation to the alteration made under this section in the same manner as they apply in relation to alterations made under section 8."

Substitute

"provisions contained in its articles, section 85(5)(c), (6) and (8) of the Companies Ordinance (of 2012) applies in relation to the alteration made under this section in the same manner as it applies in relation to alterations made under that section 85.".

(8) After section 177(6)—

Add

"(7) In this section—

specified obligation (指明義務) means an obligation under the pre-amended Ordinance, this Ordinance or the Companies Ordinance (of 2012).".

92. Section 179 amended (Provisions as to applications for winding up)

(1) Section 179(1), Chinese text, proviso, paragraph (a)(ii)—

Repeal

"分配"

Substitute

"配發".

(2) Section 179(1), proviso, paragraph (d)—

Repeal

"section 147(2)(a)"

Substitute

"section 867(1) of the Companies Ordinance (of 2012)".

93. Section 190 amended (Statement of company's affairs to be submitted to provisional liquidator or liquidator)

Section 190(2)—

Repeal

"secretary"

Substitute

"company secretary".

94. Section 196 amended (General provisions as to liquidators)

Section 196(4)—

Repeal

"this Ordinance"

Substitute

"this Ordinance or the Companies Ordinance (of 2012)".

95. Section 199 amended (Powers of liquidator)

Section 199(6)(a) and (b), Chinese text—

Repeal

"影子"

Substitute

"幕後".

96. Section 209A amended (Power of court to order winding up to be conducted as creditors' voluntary winding up)

(1) Section 209A(2)(d), after "convicted under"—

Add

"the pre-amended Ordinance,".

(2) Section 209A(2)(f)—

Repeal

everything after "being investigated"

Substitute

"under—

(i) a provision of the pre-amended Ordinance having a continuing effect under Schedule 10 to the Companies Ordinance (of 2012) or by virtue of section 23 of the Interpretation and General Clauses Ordinance (Cap. 1);

(ii) this Ordinance; or

(iii) any other law;".

97. Section 209B amended (Consequences of an order under section 209A)

Section 209B(g)—

Repeal

"this Ordinance"

Substitute

"this Ordinance or the Companies Ordinance (of 2012)".

98. Section 219 amended (Inspection of books by creditors and contributories)

(1) Section 219(1)—

Repeal

everything after "thinks just"

Substitute a full stop.

(2) After section 219(1)—

Add

"(1A) Where an order for inspection is made under subsection (1), creditors or contributories may, in accordance with the order but not further or otherwise—

(a) inspect any books or papers in the possession of the company; or

(b) if the books or papers are kept by the company by recording the contents of the books or papers otherwise than in a legible form, inspect a reproduction of the recording or the relevant part of it in a legible form.".

99. Section 227D amended (Compromises and arrangements with creditors)

(1) Section 227D, Chinese text, heading—

Repeal

"**債務償還**".

(2) Section 227D(1)—

Repeal

"The court may for the purposes of section 166 and notwithstanding subsection (1) thereof"

Substitute

"For the purposes of section 661 of the Companies Ordinance (of 2012), the court may despite subsection (1) of that section".

(3) Section 227D(1), Chinese text—

Repeal

"債務償還".

(4) Section 227D(2)—

Repeal

"section 166, have the same effect as if a meeting of the creditors or class of creditors had been summoned under section 166(1)"

Substitute

"section 664 of the Companies Ordinance (of 2012), have the same effect as if a meeting of the creditors or class of creditors had been summoned under section 661(1) of that Ordinance".

(5) Section 227D(3)—

Repeal

"this Ordinance"

Substitute

"this Ordinance, or of the Companies Ordinance (of 2012),".

(6) Section 227D(4)—

Repeal

"(債務償還安排) has the meaning assigned to it by section 166(5)"

Substitute

"(安排) has the meaning given by section 659(1) of the Companies Ordinance (of 2012)".

100. Section 228 amended (Circumstances in which company may be wound up voluntarily)

Section 228(1)(a)—

Repeal

"memorandum or".

101. Section 236 amended (Power to fill vacancy in office of liquidators)

Section 236(3)—

Repeal

"this Ordinance"

Substitute

"this Ordinance or the Companies Ordinance (of 2012)".

102. Section 265 amended (Preferential payments)

Section 265(6), Chinese text, definition of ***關連公司***, paragraphs (b) and (c)—

Repeal

"控股公司"

Substitute

"控權公司".

103. Section 271 amended (Offences by officers of companies in liquidation)

Section 271(3), Chinese text—

Repeal

"影子"

Substitute

"幕後".

104. Section 285 amended (Unclaimed assets to be paid to companies liquidation account)

Section 285(1), Chinese text—

Repeal

"未予分發"

Substitute

"未派發".

105. Section 287 amended (Meetings to ascertain wishes of creditors or contributories)

Section 287(3)—

Repeal

"this Ordinance or"

Substitute

"this Ordinance or the Companies Ordinance (of 2012) or by".

106. Sections repealed

Sections 290C, 290D, 291, 291A, 291AA, 291AB, 291B, 292 and 292A—

Repeal the sections.

107. Section 296 amended (General rules and fees)

(1) Section 296(1)—

Repeal

"this Ordinance"

Substitute

"this Ordinance and the Companies Ordinance (of 2012)".

(2) Section 296(3)—

Repeal

"proceedings under this Ordinance"

Substitute

"the relevant proceedings".

(3) After section 296(3)—

Add

"(3A) In subsection (3)—

relevant proceedings (有關法律程序) means—

(a) proceedings under this Ordinance (other than winding up proceedings); or

(b) proceedings in the winding up of companies, including those where proceedings under this Ordinance or the Companies Ordinance (of 2012) are taken with respect to a company which is being wound up.".

108. Section 300B amended (Special provisions as to statement submitted to receiver)

Section 300B(2)—

Repeal

"secretary"

Substitute

"company secretary".

109. Sections repealed

Sections 303, 303B, 304, 305 and 305A—

Repeal the sections.

110. Part VIII heading amended

Part VIII, heading—

Repeal

"FORMER"

Substitute

"COMPANIES".

111. Section 307 amended (Application of Ordinance to companies formed under former Companies Ordinance)

(1) Section 307, Chinese text, heading—

Repeal

"前有《公司條例》"

Substitute

"《舊有公司條例》".

(2) Section 307(a), (b) and (c)—

Repeal

"this Ordinance"

Substitute

"the Companies Ordinance (of 2012)".

(3) Section 307, proviso—

Repeal

everything after "registered under"

Substitute

"a former Companies Ordinance.".

(4) Section 307, Chinese text—

Repeal

"現有"

Substitute

"原有".

112. Section 308 substituted

Section 308—

Repeal the section

Substitute

"**308. Application of Ordinance to companies registered under Companies Ordinances**

(1) Subject to section 308A, this Ordinance applies to a company registered but not formed under the Companies Ordinance (of 2012) and its officers, members, contributories and creditors in the same manner in all respects as if the company had been formed under that Ordinance.

(2) This Ordinance applies to a company registered but not formed under a former Companies Ordinance and its officers, members, contributories and creditors in the same manner as it applies to a company registered but not formed under the Companies Ordinance (of 2012).

(3) For the purposes of applying this Ordinance to a company registered but not formed under a former Companies Ordinance or the Companies Ordinance (of 2012), a reference in this Ordinance to the date of registration is to be read as the date on which the company was

registered under the former Companies Ordinance or the Companies Ordinance (of 2012), as the case may be.".

113. Section 308A added

After section 308—

Add

"**308A. Exceptions to section 308**

(1) If a company registered but not formed under the Companies Ordinance (of 2012) is wound up, every person who has a relevant liability is—

(a) a contributory in respect of the company's debts and liabilities contracted before registration; and

(b) a contributory who is liable to contribute to the assets of the company, in the course of the winding up, all sums due from the person in respect of the relevant liability.

(2) In subsection (1)—

relevant liability (相關法律責任) means the liability to pay or contribute to the payment of—

(a) the company's debts and liabilities contracted before the registration;

(b) any sum for the adjustment of the rights of the members among themselves in respect of those debts and liabilities; or

(c) the costs and expenses of winding up the company, so far as relating to those debts and liabilities.

(3) In the event of the death or bankruptcy of such a contributory, the provisions of this Ordinance with respect to the personal representatives of deceased contributories, and to the trustees of bankrupt contributories, apply.".

114. Section 309 substituted

Section 309—

Repeal the section

Substitute

"**309. Application of Ordinance to companies re-registered under Companies Ordinances**

(1) This Ordinance as read with section 128 of the Companies Ordinance (of 2012) applies to an unlimited company registered as a limited company under—

(a) section 58 of the Companies Ordinance 1911 (58 of 1911);

(b) section 19 of the pre-amended Ordinance; and

(c) section 125 of the Companies Ordinance (of 2012).

(2) For the purposes of applying this Ordinance to an unlimited company registered as a limited company under the Companies Ordinance 1911 (58 of 1911), the pre-amended Ordinance or the Companies Ordinance (of 2012), a reference in this Ordinance to the date of registration is to be read as the date on which the unlimited company was registered as a limited company under the Companies Ordinance 1911 (58 of 1911), the pre-amended Ordinance or the Companies Ordinance (of 2012), as the case may be.".

115. Part IX heading amended (Companies not formed under this Ordinance authorized to register under this Ordinance)

Part IX, heading—

Repeal

"UNDER THIS ORDINANCE AUTHORIZED TO REGISTER UNDER THIS ORDINANCE"

Substitute

", BUT REGISTERED, UNDER COMPANIES ORDINANCES".

116. Sections repealed

Sections 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322 and 323—

Repeal the sections.

117. Section 324 amended (Power of court to stay or restrain proceedings)

Section 324—

Repeal

"this Part"

Substitute

"Part IX of the pre-amended Ordinance, or Part 17 of the Companies Ordinance (of 2012),".

118. Section 325 amended (Actions stayed on winding-up order)

Section 325—

Repeal

"this Part"

Substitute

"Part IX of the pre-amended Ordinance, or Part 17 of the Companies Ordinance (of 2012),".

119. Section 326 amended (Meaning of unregistered companies)

(1) Section 326(1)(a)—

Repeal

"this Ordinance"

Substitute

"the pre-amended Ordinance, or under the Companies Ordinance (of 2012)".

(2) Section 326(2)—

Repeal

"non-Hong Kong company that is registered under Part XI"

Substitute

"registered non-Hong Kong company".

120. Section 331 amended (Provisions of Part X cumulative)

Section 331—

Repeal

"registered under this Ordinance"

Substitute

"registered under the Companies Ordinance (of 2012)".

121. Section 331A amended (Saving for enactments providing for winding up under former Companies Ordinances)

(1) Section 331A, Chinese text, heading—

Repeal

"前有各公司條例"

Substitute

"各《舊有公司條例》".

(2) Section 331A—

Repeal

"this Ordinance"

Substitute

"the pre-amended Ordinance".

122. Part XI repealed

Part XI—

Repeal the Part.

123. Section 342 amended (Dating of prospectus and particulars to be contained therein)

Section 342(6)—

Repeal

everything after "may incur"

Substitute

"under—

(a) the general law;

(b) the provisions of the pre-amended Ordinance having a continuing effect under Schedule 10 to the Companies Ordinance (of 2012) or by virtue of section 23 of the Interpretation and General Clauses Ordinance (Cap. 1);

(c) this Ordinance apart from this section; or

(d) the Companies Ordinance (of 2012).".

124. Section 342B amended (Provisions as to expert's consent, and allotment)

(1) Section 342B, Chinese text, heading—

Repeal

"分配"

Substitute

"配發".

(2) Section 342B(1)(a), Chinese text—

Repeal

"註冊"

Substitute

"登記".

125. Section 342C amended (Registration of prospectus)

(1) Section 342C, Chinese text, heading—

Repeal

"註冊"

Substitute

"登記".

(2) Section 342C(2)(c)—

Repeal

"or specified by the Registrar under section 346 which are applicable to prospectuses to be registered under this Part"

Substitute

"and the requirements set out in subsection (7A)".

(3) Section 342C(7)(a)(iii)—

Repeal

"and".

(4) Section 342C(7)(a)(iv)—

Repeal

"or specified by the Registrar under section 346 which are applicable to prospectuses to be registered under this Part"

Substitute

"and the requirements set out in subsection (7A)".

(5) After section 342C(7)(a)(iv)—

Add

"(v) it is accompanied by any fee that is payable, in respect of the registration, under a regulation made under section 25 of the Companies Ordinance (of 2012); and".

(6) Section 342C(7)(b)—

Repeal

"and (iv)"

Substitute

", (iv) and (v)".

(7) After section 342C(7)—

Add

"(7A) The following are the requirements set out for the purposes of subsections (2)(c) and (7)(a)(iv)—

(a) any requirement that the Registrar may specify, by notice in the Gazette, in relation to font size of prospectuses for the purposes of this section;

(b) any other requirements that the Registrar

may specify for the purpose of—

(i) ensuring that documents of the same kind are of a standard form; and

(ii) enabling the Registrar to make copies or image records of documents and to make and keep records of the information contained in them.

(7B) For the purposes of subsection (7A)(b), the Registrar may specify different requirements for different documents or classes of documents.".

(8) Section 342C(1), (2)(a) and (b), (3), (5)(a) and (b), (6), (7)(a) and (b) and (8), Chinese text—

Repeal

"註冊" (wherever appearing)

Substitute

"登記".

126. Section 342CC amended (Submission of certified copies)

(1) Section 342CC(b)(ii)—

Repeal

"secretary"

Substitute

"company secretary".

(2) Section 342CC(b)(iii)—

Repeal

"secretary" (wherever appearing)

Substitute

"company secretary".

127. Section 343 amended (Interpretation of provisions as to prospectuses)

Section 343(3)—

Repeal

"incorporated under this Ordinance"

Substitute

"as defined in section 2(1)".

128. Part XIIA repealed

Part XIIA—

Repeal the Part.

129. Cross-heading before section 346 repealed

Cross-heading before section 346—

Repeal the cross-heading.

130. Sections repealed

Sections 346, 346A, 346B, 347, 348, 348A, 348B and 348BA—

Repeal the sections.

131. Cross-heading before section 348C repealed

Cross-heading before section 348C—

Repeal the cross-heading.

132. Sections 348C and 348D repealed

Sections 348C and 348D—

Repeal the sections.

133. Sections 349A, 350, 350A repealed

Sections 349A, 350 and 350A—

Repeal the sections.

134. Section 350B amended (Injunctions)

(1) Section 350B(1)(e), after "person;"—

Add

"or".

(2) Section 350B(1)(f)—

Repeal the semicolon

Substitute a comma.

(3) Section 350B(1)—

Repeal paragraphs (g) and (h).

135. Section 351 amended (Provision for punishment and offence)

Section 351(2), Chinese text —

Repeal

"影子" (wherever appearing)

Substitute

"幕後".

136. Section 351B repealed (Production and inspection of books where offence suspected)

Section 351B—

Repeal the section.

137. Cross-heading before section 356 amended

Cross-heading before section 356—

Repeal

"**Service of Documents and**".

138. Sections 356, 357 and 358 repealed

Sections 356, 357 and 358—

Repeal the sections.

139. Section 359A amended (Power to make regulations)

Section 359A—

Repeal subsections (2), (3), (4), (5) and (6).

140. Section 360 amended (Power to amend requirements as to accounts, Schedules, tables, forms and fees)

(1) Section 360, heading—

Repeal

"**requirements as to accounts, Schedules, tables, forms and fees**"

Substitute

"**Schedules**".

(2) Section 360—

Repeal subsections (1), (2), (3A), (4), (5) and (10).

141. Section 360B amended (Power of Chief Executive in Council to order Registrar to refuse registration if satisfied that a company is being formed to evade the

Societies Ordinance)

(1) Section 360B—

Renumber the section as section 360B(1).

(2) Section 360B(1)—

Repeal

"memorandum and articles of association of a company delivered to him in accordance with section 15"

Substitute

"relevant documents".

(3) Section 360B(1)—

Repeal

"memorandum and articles, and upon receipt of such order, the Registrar shall, notwithstanding the provisions of section 15, refuse registration of the memorandum and articles"

Substitute

"relevant documents. Despite section 15 of the pre-amended Ordinance or section 62 of the Companies Ordinance (of 2012), the Registrar must refuse registration of the relevant documents on receipt of the order".

(4) After section 360B(1)—

Add

"(2) In this section—

relevant documents (有關文件) means—

(a) the memorandum of association and articles of association of the company delivered to the Registrar in accordance with section 15 of the pre-amended Ordinance; or

(b) the incorporation form and articles of

association of the company delivered to the Registrar in accordance with section 62 of the Companies Ordinance (of 2012).".

142. Section 360C amended (Power of the Chief Executive in Council to order company engaging in undesirable activities to be struck off)

(1) Section 360C(1)—

Repeal

"this Ordinance"

Substitute

"the Companies Ordinance (of 2012)".

(2) Section 360C(1), English text—

Repeal

"register of companies"

Substitute

"Companies Register".

(3) Section 360C(1), Chinese text—

Repeal

"前有《公司條例》"

Substitute

"《舊有公司條例》".

(4) Section 360C(3)—

Repeal

"each of the persons who signed the memorandum of association, addressed to him at the address mentioned in that memorandum".

Substitute

"each of the founder members, addressed to the founder member at the address mentioned in the memorandum of association or incorporation form, as the case may be".

143. Section 360D repealed (Certain sections not to apply)

Section 360D—

Repeal the section.

144. Section 360E amended (Vesting and disposal of property of company struck off)

Section 360E(2)—

Repeal

"memorandum and articles of association"

Substitute

"articles".

145. Section 360N amended (Companies to which Part XI applies)

(1) Section 360N, heading—

Repeal

"**Companies to which Part XI applies**"

Substitute

"**Non-Hong Kong Companies**".

(2) Section 360N—

Repeal

"company to which Part XI applies"

Substitute

"non-Hong Kong company".

146. Part XIV repealed

Part XIV—

Repeal the Part.

147. First and Second Schedules repealed

First and Second Schedules—

Repeal the Schedules.

148. Third Schedule amended (Matters to be Specified in Prospectus and Reports to be set out therein)

(1) Third Schedule, Part I, paragraph 2—

Repeal

"and the description and nominal value of the shares into which it"

Substitute

"or maximum number of shares issuable under the articles and the description and nominal value (if any) of the shares into which the authorized share capital".

(2) Third Schedule, Chinese text, Part I, paragraph 9—

Repeal

"分配" (wherever appearing)

Substitute

"配發".

(3) Third Schedule, Part I, paragraph 29—

Repeal

"accounts"

Substitute

"financial statements".

(4) Third Schedule, Part II, paragraph 31(1)—

Repeal

"accounts have been made up"

Substitute

"financial statements have been prepared".

(5) Third Schedule, Part II, paragraph 31(2)(b)—

Repeal

"accounts of the company were made up"

Substitute

"financial statements of the company were prepared".

(6) Third Schedule, Part II, paragraph 32(b)—

Repeal

"accounts of the business were made up"

Substitute

"financial statements of the business were prepared".

(7) Third Schedule, Part II, paragraph 33(1)(ii)—

Repeal

"accounts of the undertaking were made up"

Substitute

"financial statements of the undertaking were prepared".

(8) Third Schedule, Part II, paragraph 34(1)—

Repeal

"accounts at the last date to which the accounts have been made up"

Substitute

"financial statements at the last date to which the financial statements have been prepared".

(9) Third Schedule, Chinese text, Part III, paragraph 38—

Repeal

"分配" (wherever appearing)

Substitute

"配發".

(10) Third Schedule, Part III, paragraph 40—

Repeal

"accounts of the company or business have only been made up"

Substitute

"financial statements of the company or business have only been prepared".

(11) Third Schedule, Part III, paragraph 41—

Repeal

everything after ""financial year" (財政年度)"

Substitute

"in this Schedule means the year in respect of which the financial statements of the company or of the business, as the case may be, are prepared, and where by reason of any alteration of the date on which the financial year of the company or business terminates the financial statements of the company or business have been prepared for a period greater or less than a year, that period is for the purposes of this Schedule to be regarded as a financial year.".

149. Fourth Schedule amended (Form of Statement in lieu of Prospectus to be delivered to Registrar by a Company which does not issue a Prospectus or which does not go to Allotment on a Prospectus Issued, and Reports to be set out therein)

(1) Fourth Schedule, Chinese text, heading—

Repeal

"分配"

Substitute

"配發".

(2) Fourth Schedule, Part I—

Repeal

"THE COMPANY ORDINANCE

Statement in lieu of Prospectus delivered for registration by
[*Insert the name of the company*]

Pursuant to section 43 of the Companies Ordinance"

Substitute

"COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

Statement in lieu of Prospectus delivered for registration by
[*Insert the name of the company*]

Pursuant to section 43 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(3) Fourth Schedule, Chinese text, Part I—

Repeal

"授權交付註冊"

Substitute

"授權交付登記".

(4) Fourth Schedule, Part I—

Repeal

"nominal share capital"

Substitute

"amount of the issued share capital".

(5) Fourth Schedule, Chinese text, Part I—

Repeal

"分配" (wherever appearing)

Substitute

"配發".

(6) Fourth Schedule, Part II, paragraph 1(b)—

Repeal

"accounts of the business were made up"

Substitute

"financial statements of the business were prepared".

(7) Fourth Schedule, Part II, paragraph 2(2)(b)—

Repeal

"accounts of the undertaking were made up"

Substitute

"financial statements of the undertaking were prepared".

(8) Fourth Schedule, Part III, paragraph 4—

Repeal

"accounts of the business or undertaking have only

been made up"

Substitute

"financial statements of the business or undertaking have only been prepared".

(9) Fourth Schedule, Part III, paragraph 6—

Repeal

"this Ordinance"

Substitute

"the Companies Ordinance (of 2012)".

150. Schedules repealed

Seventh, Eighth, Ninth, Tenth and Eleventh Schedules—

Repeal the Schedules.

151. Twelfth Schedule amended (Punishment of offences under this Ordinance)

(1) Twelfth Schedule, entries relating to the following—

(a) section 8(8);

(b) section 10(3);

(c) section 13(4);

(d) section 18A(2);

(e) section 21(9);

(f) section 22(1B);

(g) section 22(6);

(h) section 22A(4);

(i) section 26(2);

(j) section 27(2);

(k) section 30(2);

(l) section 30(2A);

(m) section 45(3);

(n) section 46(5);

(o) section 47A(3);

(p) section 47F(4);

(q) section 47F(5);

(r) section 47G(10);

(s) section 49G(6);

(t) section 49G(7);

(u) section 49K(6);

(v) section 49M(6);

(w) section 49N(4);

(x) section 50(3);

(y) section 54(2);

(z) section 55(3);

(za) section 57A(3);

(zb) section 57B(6);

(zc) section 58(1B);

(zd) section 63;

(ze) section 64(5);

(zf) section 69(2);

(zg) section 70(2);

(zh) section 71A(9);

(zi) section 74A(4);

(zj) section 75(4);

(zk) section 81(3);

(zl) section 82(2);

(zm) section 87(7);

(zn) section 88(4);

(zo) section 89(4);

(zp) section 89(5);

(zq) section 90(2)(a);

(zr) section 91(6);

(zs) section 92(4);

(zt) section 93(3);

(zu) section 93(4);

(zv) section 93(5);

(zw) section 95(4);

(zx) section 95A(3);

(zy) section 96(3);

(zz) section 98(3);

(zza) section 99(4);

(zzb) section 103(7);

(zzc) section 104(7);

(zzd) section 109(4);

(zze) section 111(5) (relating to subsections (1) and

(2));

(zzf) section 111(5) (relating to subsection (4));

(zzg) section 114C(3);

(zzh) section 114C(5);

(zzi) section 115A(7);

(zzj) section 116B(10);

(zzk) section 116BA(2);

(zzl) section 116BC(5);

(zzm) section 116BC(6);

(zzn) section 117(5);

(zzo) section 117(6);

(zzp) section 119(4);

(zzq) section 119A(3);

(zzr) section 120(3);

(zzs) section 121(4);

(zzt) section 122(3);

(zzu) section 123(6);

(zzv) section 124(3);

(zzw) section 128(6);

(zzx) section 129(6);

(zzy) section 129B(3);

(zzz) section 129C(3);

(zzza) section 129F;

(zzzb) section 129G(3) (relating to subsection (1) or (2A));

(zzzc) section 129G(3) (relating to subsection (2));

(zzzd) section 131(7);

(zzze) section 133(2);

(zzzf) section 134(1);

(zzzg) section 140A(7);

(zzzh) section 140B(3);

(zzzi) section 141CA(2);

(zzzj) section 141CC(3) (offence relating to contravention of section 141CC(1));

(zzzk) section 141CC(3) (offence relating to contravention of section 141CC(2));

(zzzl) section 141CD(3);

(zzzm) section 141CE(2);

(zzzn) section 141CF(3)(a);

(zzzo) section 141CF(3)(b);

(zzzp) section 141D(4);

(zzzq) section 141E(4);

(zzzr) section 152A(4);

(zzzs) section 152B(4);

(zzzt) section 152C(2);

(zzzu) section 152D(1);

(zzzv) section 152E;

(zzzw) section 152FC(3);

(zzzx) section 153(3);

(zzzy) section 153A(3);

(zzzz) section 153C(4);

(zzzza) section 153C(5);

(zzzzb) section 155(5);

(zzzzc) section 155A(5);

(zzzzd) section 155B(3);

(zzzze) section 155B(4);

(zzzzf) section 156(1);

(zzzzg) section 157J(3);

(zzzzh) section 158(8);

(zzzzi) section 158A(3);

(zzzzj) section 158B(2);

(zzzzk) section 159(3);

(zzzzl) section 161A(2);

(zzzzm) section 161BA(7);

(zzzzn) section 161BA(11);

(zzzzo) section 161BB(3);

(zzzzp) section 161BB(7);

(zzzzq) section 161C(3);

(zzzzr) section 162(3);

(zzzzs) section 162A(2);

(zzzzt) section 162B(3);

(zzzzu) section 163B(2);

(zzzzv) section 166(4);

(zzzzw) section 166A(4);

(zzzzx) section 166A(5);

(zzzzy) section 167(3);

(zzzzz) section 168A(4);

(zzzzza) section 168BAI(3);

(zzzzzb) section 291AA(14);

(zzzzzc) section 292(5);

(zzzzzd) section 337B(7);

(zzzzze) section 340;

(zzzzzf) section 348C(4);

(zzzzzg) section 349A(1);

(zzzzzh) section 349A(2);

(zzzzzi) section 350;

(zzzzzj) section 350A—

Repeal the entries.

(2) Twelfth Schedule, Chinese text, entry relating to section 43(4), under heading "General nature of offence"—

Repeal

"分配"

Substitute

"配發".

(3) Twelfth Schedule, Chinese text, entry relating to section 44A(4), under heading "General nature of offence"—

Repeal

"分配"

Substitute

"配發".

(4) Twelfth Schedule, entry relating to section 342F(1), under heading "General nature of offence"—

Repeal

everything after "prospectus"

Substitute

"(containing an untrue statement) relating to shares in or debentures of a company incorporated outside Hong Kong (whether the company has or has not established a place of business in Hong Kong)".

152. Thirteenth and Fourteenth Schedules repealed

Thirteenth and Fourteenth Schedules—

Repeal the Schedules.

153. Fifteenth Schedule amended (Matters for determining unfitness of directors)

(1) Fifteenth Schedule, Part I, paragraph 3—

Repeal

everything after "comply"

Substitute

"with—

(a) any of the following provisions of the pre-amended Ordinance—

(i) section 81;

(ii) section 95;

(iii) section 96;

(iv) section 107;

(v) section 109;

(vi) section 119A;

(vii) section 121;

(viii) section 158;

(ix) section 158A; and

(b) any of the following provisions of the Companies Ordinance (of 2012)—

(i) section 334;

(ii) section 335;

(iii) section 340;

(iv) section 341;

(v) section 369;

(vi) section 370;

(vii) section 373;

(viii) section 609;

(ix) section 617;

(x) section 618;

(xi) section 620;

(xii) section 632;

(xiii) section 633(1);

(xiv) section 634;

(xv) section 636;

(xvi) section 639;

(xvii) section 640(1);

(xviii) section 641;

(xix) section 643;

(xx) section 653; and

(xxi) section 655.".

(2) Fifteenth Schedule, Part I, paragraph 4—

Repeal

everything after "comply"

Substitute

"with—

(a) sections 122 and 129B of the pre-amended Ordinance; and

(b) sections 379 and 420 of the Companies Ordinance (of 2012).".

154. Sixteenth Schedule repealed (Companies to which section 291AA or 344A of this Ordinance does not apply)

Sixteenth Schedule—

Repeal the Schedule.

155. Seventeenth Schedule amended (Offers specified for the purposes of paragraph (*b*)(ii) of the definition of *prospectus* in section 2(1) of this Ordinance)

(1) Seventeenth Schedule, Part 1, section 6—

Repeal

everything after "merger or a share"

Substitute

"buy-back which is in compliance with the Codes on Takeovers and Mergers and Share Buy-backs issued by the Commission as in force from time to time.".

(2) Seventeenth Schedule, Chinese text, Part 1, section 7(a)(ii)—

Repeal

"分發"

Substitute

"分派".

156. Twenty-first Schedule amended (Provisions in accordance with which a prospectus may consist of more than one document)

(1) Twenty-first Schedule, Part 1, section 8(a)—

Repeal

"accounts"

Substitute

"financial statements".

(2) Twenty-first Schedule, Part 1, section 8(c)—

Repeal

"accounts"

Substitute

"financial statements".

(3) Twenty-first Schedule, Part 2, section 8(a)—

Repeal

"accounts"

Substitute

"financial statements".

(4) Twenty-first Schedule, Part 2, section 8(c)—

Repeal

"accounts"

Substitute

"financial statements".

157. Twenty-third Schedule amended (Parent and subsidiary undertakings)

(1) Twenty-third Schedule, Chinese text, section 1(1), definition of *股*、*股份*, paragraph (a)—

Repeal

"分配"

Substitute

"配發".

(2) Twenty-third Schedule, section 2(1)(b)(i)—

Repeal

"the subsidiary undertaking's memorandum or articles or equivalent constitutional documents"

Substitute

"any document constituting or regulating the subsidiary undertaking".

(3) Twenty-third Schedule, section 5(b)(i)—

Repeal

"the memorandum or articles, or equivalent constitutional documents, of the undertaking"

Substitute

"any document constituting or regulating the undertaking".

158. Twenty-fourth Schedule repealed (Offices not included in definition of *place of business* under Part XI of this Ordinance)

Twenty-fourth Schedule—

Repeal the Schedule.

Part 2

Amendment to Companies (Amendment) Ordinance 2010 (12 of 2010)

159. Part 7 repealed (Amendments relating to paperless holding and transfer of shares and debentures)

Part 7—

Repeal the Part.

Part 3

Amendment to Companies (Forms) Regulations (Cap. 32 sub. leg. B)

160. Regulations repealed

Regulations 3, 5, 7 and 8—

Repeal the regulations.

Part 4

Amendments to Companies (Fees and Percentages) Order (Cap. 32 sub. leg. C)

161. Paragraph 2 amended

Paragraph 2—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

162. Paragraph 3 amended

(1) Paragraph 3—

Repeal

"Companies Ordinance (Cap. 32)"

Substitute

"Ordinance".

(2) Paragraph 3, after "fees contained in"—

Add

"item 1 of".

163. Schedule 1 substituted

Schedule 1—

Repeal the schedule

Substitute

"**Schedule 1** [para. 3]

Item	Particular	Fee	Document to be stamped

1.	On an application under section 290 of the Ordinance for a declaration that the dissolution of a company is void.	$1,045.00	The notice of motion or summons.
2.	On presenting a petition—		
	(a) under section 84 of the Companies Ordinance (of 2012) to cancel an alteration of the objects in a company's articles; or		
	(b) under section 221 of the Companies Ordinance (of 2012) to confirm a reduction of share capital. This fee includes any fee on answering a petition or setting down for hearing. Where a petition is presented under more than one of these sections, only one fee of $1,045.00 is charged on the petition.	$1,045.00	The petition.
3.	On an application—		

	(a) under section 177 of the Companies Ordinance (of 2012) to cancel a variation of shareholders' rights;		
	(b) under section 753 of the Companies Ordinance (of 2012) for restoration of a company to the Companies Register;		
	(c) under section 345 of the Companies Ordinance (of 2012) for extension of time for registration;		
	(d) under section 346 of the Companies Ordinance (of 2012) for rectification of register of charges; or		
	(e) under section 664 of the Companies Ordinance (of 2012) to sanction an arrangement or compromise.	$1,045.00	The notice of motion or summons.".

164. Schedule 3 amended

(1) Schedule 3, Chinese text, Table A, item 6(a) and (b)—

Repeal

"分發"

Substitute

"派發".

(2) Schedule 3, Chinese text, Table B, number IV(3)—

Repeal

"分發"

Substitute

"派發".

Part 5

Repeal of Companies (Exemption from Statement of Turnover) Order (Cap. 32 sub. leg. D)

165. Companies (Exemption from Statement of Turnover) Order repealed

The Companies (Exemption from Statement of Turnover) Order (Cap. 32 sub. leg. D)—

Repeal the Order.

Part 6

Repeal of Companies (Specification of Names) Order (Cap. 32 sub. leg. E)

166. Companies (Specification of Names) Order repealed

The Companies (Specification of Names) Order (Cap. 32 sub.

leg. E)—

Repeal the Order.

Part 7

Amendments to Companies (Winding-Up) Rules (Cap. 32 sub. leg. H)

167. Rule 1 amended (Application of rules)

(1) Rule 1(1)—

Repeal

"and to all proceedings under section 168A of the Ordinance".

(2) Rule 1—

Repeal paragraph (2).

168. Rule 2 amended (Interpretation of terms)

(1) Rule 2, definition of ***company***—

Repeal

"or proceedings under section 168A of the Ordinance".

(2) Rule 2, definition of ***proceedings***—

Repeal

", or proceedings under section 168A of the Ordinance".

(3) Rule 2, after definition of ***Registrar***—

Add

"***relevant provision*** (有關條文) means a provision of—

(a) the Ordinance;

(b) the pre-amended Ordinance having a continuing effect under Schedule 10 to the Companies Ordinance (of 2012) or by virtue of section 23 of the Interpretation and General Clauses Ordinance (Cap. 1); or

(c) the Companies Ordinance (of 2012);".

169. Rule 5 amended (Matters in court to be heard in court and chambers)

Rule 5(3)—

Repeal

"the Ordinance"

Substitute

"a relevant provision".

170. Rule 8 amended (Times for holding court)

Rule 8—

Repeal

"and applications under section 168A of the Ordinance".

171. Rule 9 amended (Title of proceedings)

(1) Rule 9(1)—

Repeal

"19 ."

Substitute

"20 .".

(2) Rule 9(1)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

172. Rule 21 amended (Enforcement of orders)

Rule 21—

Repeal

"the Ordinance and rules,"

Substitute

"a relevant provision or by the rules".

173. Rule 22 amended (Form of petition)

(1) Rule 22—

Repeal

", 3 or 3A"

Substitute

"or 3".

(2) Rule 22—

Repeal

"*, 3 & 3A*"

Substitute

"*& 3*".

174. Rule 26 amended (Verification of petition)

Rule 26—

Repeal

"secretary"

Substitute

"company secretary".

175. Cross-heading before rule 34 amended

Cross-heading before rule 34—

Repeal

"AND ORDER UNDER SECTION 168A OF THE ORDINANCE".

176. Rule 35 amended (Drawing up and contents of winding-up order)

(1) Rule 35(1)—

Repeal

"or an order under section 168A of the Ordinance".

(2) Rule 35(1)—

Repeal

"Except in the case of an order made under section 168A of the Ordinance it shall not be"

Substitute

"It is not".

(3) Rule 35(2)—

Repeal

"secretary"

Substitute

"company secretary".

177. Rule 36 amended (Transmission and advertisement of winding-up order)

Rule 36—

Repeal paragraph (3).

178. Rule 58 amended (Application by or against delinquent directors, officers and promoters)

(1) Rule 58(1)—

Repeal

"of the Ordinance".

(2) Rule 58(1)(a), after "section 276"—

Add

"of the Ordinance".

(3) Rule 58(1)(b), after "section 275(1), (2) or (4)"—

Add

"of the Ordinance".

(4) Rule 58(1)(c), after "section 168I"—

Add

"of the Ordinance".

(5) Rule 58(1)(d)—

Repeal

"section 358(2)"

Substitute

"section 892(1) of the Companies Ordinance (of 2012)".

179. Rule 59 amended (Use of depositions taken at public examinations)

Rule 59—

Repeal

"the Ordinance mentioned"

Substitute

"the Ordinance or the Companies Ordinance (of 2012) mentioned".

180. Rule 117 amended (Costs of calling meeting)

Rule 117—

Repeal

"section 166 and of complying with the requirements of section 166A"

Substitute

"section 661 of the Companies Ordinance (of 2012) and of complying with the requirements of section 662 of the Companies Ordinance (of 2012)".

181. Rule 125 amended (Cases in which creditors may not vote)

Rule 125—

Repeal

"Receiving Order in bankruptcy"

Substitute

"bankruptcy order".

182. Rule 131 amended (Proxies)

(1) Rule 131, after "of the Ordinance"—

Add

", or section 596 or 597 of the Companies Ordinance (of 2012),".

(2) Rule 131—

Repeal

"secretary"

Substitute

"company secretary".

183. Rule 155 amended (Office of liquidator vacated by his insolvency)

Rule 155—

Repeal

"Receiving Order in bankruptcy is made against the liquidator, he shall thereby vacate his office, and for the purposes of the application of the Ordinance and rules shall be"

Substitute

"bankruptcy order is made against the liquidator, the liquidator must thereby vacate office, and for the purposes of the application of the Ordinance, the rules and the Companies Ordinance (of 2012) is".

184. Rule 173 amended (Applications for costs)

Rule 173—

Repeal

"other than a proceeding under section 168A of the Ordinance,".

185. Appendix amended (Forms)

(1) Appendix, Form 2, paragraph 1—

Repeal

"Companies Ordinance (Chapter 32)"

Substitute

"*Companies Ordinance 1865 (1 of 1865)/*Companies Ordinance 1911 (58 of 1911)/*Companies Ordinance (Chapter 32)/*Companies Ordinance (of 2012). (*delete the inapplicable words)".

(2) Appendix, Form 2, paragraph 3—

Repeal

"The nominal capital of the company is $, divided into shares of $ each."

Substitute

"The share capital of the company is divided into shares.".

(3) Appendix, Form 2, paragraph 4—

Repeal

"memorandum"

Substitute

"articles".

(4) Appendix, Form 2—

Repeal

"of the Companies Ordinance"

Substitute

"of the Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(5) Appendix, Forms 3A and 4A—

Repeal the forms.

(6) Appendix, Form 8, paragraph 1—

Repeal

"(the secretary)"

Substitute

"(the company secretary)".

(7) Appendix, English text, Form 9, Note—

Repeal

"*secretary*"

Substitute

"*company secretary*".

(8) Appendix, Form 12—

Repeal

"Companies Ordinances"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(9) Appendix, Form 14—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(10) Appendix, Form 14, Note—

Repeal

"*secretary*"

Substitute

"*company secretary*".

(11) Appendix, Form 16—

Repeal

"THE COMPANIES ORDINANCE"

Substitute

"COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE".

(12) Appendix, Form 23—

Repeal

"In the matter of the Companies Ordinance"

Substitute

"In the matter of the Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(13) Appendix, Chinese text, Form 23, Statement of Affairs—

Repeal

"分配"

Substitute

"配發".

(14) Appendix, Form 23—

Repeal

"(16) Ordinary Shares of $ per share"

Substitute

"(16) Ordinary Shares of $ each at nominal value (only applicable to shares with nominal value)".

(15) Appendix, Form 23, List I—

Repeal

"*Ordinary Shares of $ each nominal value"

Substitute

"*Ordinary Shares of $ each at nominal value (only applicable to shares with nominal value)".

(16) Appendix, Form 23, List I—

Repeal

"*Preference Shares of $ each at % nominal value"

Substitute

"*Preference Shares of $ each at % nominal value (only applicable to shares with nominal value)".

(17) Appendix, Chinese text, Form 23, List I—

Repeal

"分配"

Substitute

"配發".

(18) Appendix, Form 38—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(19) Appendix, Form 43—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(20) Appendix, Form 45—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(21) Appendix, Form 60, paragraph 1—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(22) Appendix, Form 63A—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(23) Appendix, Form 63B—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(24) Appendix, Form 63B, marginal note, note (c)—

Repeal

"secretary"

Substitute

"company secretary".

(25) Appendix, Chinese text, Form 73—

Repeal

"股票" (wherever appearing)

Substitute

"股份證明書".

(26) Appendix, Form 90—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(27) Appendix, Form 92—

Repeal

"Pursuant to section 284 of the Companies Ordinance"

Substitute

"Pursuant to section 284 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(28) Appendix, Form 92—

Repeal

"THE COMPANIES ORDINANCE"

Substitute

"THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE".

(29) Appendix, Form 98, Note—

Repeal

"*Companies Ordinance*"

Substitute

"*Companies (Winding Up and Miscellaneous Provisions) Ordinance*".

Part 8

Amendments to Companies (Disqualification Orders) Regulation (Cap. 32 sub. leg. I)

186. Schedule 1 amended

(1) Schedule 1, Form D.O. 1—

Repeal

"COMPANIES ORDINANCE"

Substitute

"COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE".

(2) Schedule 1, Form D.O. 1, item (1)—

Repeal

"Companies Ordinance ("CO")"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance (***C(WUMP)O***)".

(3) Schedule 1, English text, Form D.O. 1—

Repeal

"CO" (wherever appearing)

Substitute

"C(WUMP)O".

187. Schedule 2 amended

Schedule 2, Form D.O. 2—

Repeal

"COMPANIES ORDINANCE"

Substitute

"COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE".

188. Schedule 3 amended

(1) Schedule 3, Form D.O. 3—

Repeal

"COMPANIES ORDINANCE"

Substitute

"COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE".

(2) Schedule 3, Form D.O. 3—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

Part 9

Amendments to Companies (Reports on Conduct of Directors) Regulation (Cap. 32 sub. leg. J)

189. Section 3 amended (Return by office-holder)

Section 3(2)(a) and (b), Chinese text—

Repeal

"影子"

Substitute

"幕後".

190. Schedule amended

(1) The Schedule, Form D1—

Repeal

"COMPANIES ORDINANCE"

Substitute

"COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE".

(2) The Schedule, Chinese text, Form D1, paragraph 1—

Repeal

"影子" (wherever appearing)

Substitute

"幕後".

(3) The Schedule, Chinese text, Form D1, the Schedule, column 3—

Repeal

"影子"

Substitute

"幕後".

(4) The Schedule, Chinese text, Form D1, Annex B, paragraph 15(a)—

Repeal

"影子" (wherever appearing)

Substitute

"幕後".

(5) The Schedule, Chinese text, Form D2, paragraph 2—

Repeal

"影子"

Substitute

"幕後".

(6) The Schedule, Chinese text, Form D2, the Schedule, column 3—

Repeal

"影子"

Substitute

"幕後".

Part 10

Amendments to Companies (Disqualif cation of Directors) Proceedings Rules (Cap. 32 sub. leg K)

191. Rule 4 amended (The case against the respondent)

Rule 4(3)—

Repeal

"section 168I(1) or 168J of the Ordinance"

Substitute

"section 168I(1) of the Ordinance or section 867(6) of the Companies Ordinance (of 2012)".

192. Rule 6 amended (Service and acknowledgment)

Rule 6(4)(a)(i) and (ii), Chinese text—

Repeal

"影子"

Substitute

"幕後".

Part 11

Amendments to Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Cap. 32 sub. leg. L)

193. Title amended

The title—

Repeal

"**ORDINANCE**".

194. Section 4 amended (Exemptions from bilingual prospectus requirements)

Section 4(1)(a)—

Repeal

"the Ordinance"

Substitute

"a former Companies Ordinance or the Companies Ordinance (of 2012)".

195. Section 5 amended (Exemptions for GEM companies)

Section 5(1)(a)—

Repeal

"the Ordinance"

Substitute

"a former Companies Ordinance or the Companies Ordinance (of 2012)".

196. Section 6 amended (Exemptions from requirement to set out valuation report)

(1) Section 6(1)—

Repeal

"under the Ordinance"

Substitute

"under a former Companies Ordinance or the Companies Ordinance (of 2012)".

(2) Section 6(7), definition of ***group***—

Repeal

"the Ordinance"

Substitute

"a former Companies Ordinance or the Companies Ordinance (of 2012)".

(3) Section 6(8)—

Repeal

"under the Ordinance"

Substitute

"under a former Companies Ordinance or the Companies Ordinance (of 2012)".

197. Section 8 amended (Exemptions for prospectuses relating to offers of debentures not proposed to be listed)

(1) Section 8(1)(a)—

Repeal

"the Ordinance"

Substitute

"a former Companies Ordinance or the Companies Ordinance (of 2012)".

(2) Section 8(3)(b)—

Repeal

"accounts have been made up"

Substitute

"financial statements have been prepared".

198. Section 9 amended (Exemptions for prospectuses relating to offers of debentures proposed to be listed)

Section 9(1)(a)—

Repeal

"the Ordinance"

Substitute

"a former Companies Ordinance or the Companies Ordinance (of 2012)".

199. Section 9A amended (Exemptions from requirement to issue form of application for shares or debentures with prospectus)

(1) Section 9A(1)(a)—

Repeal

"the Ordinance"

Substitute

"a former Companies Ordinance or the Companies Ordinance (of 2012)".

(2) Section 9A(9), definition of ***printed form prospectus***, paragraphs (b)(i) and (c)(i)—

Repeal

"under the Ordinance"

Substitute

"under a former Companies Ordinance or the Companies Ordinance (of 2012)".

(3) Section 9A(9), Chinese text, definition of ***印刷本招股章程***, paragraph (c)(i) and (ii)—

Repeal

"註冊"

Substitute

"登記".

Part 12

Repeal of Companies (Summary Financial Reports of Listed Companies) Regulation (Cap. 32 sub. leg. M)

200. Companies (Summary Financial Reports of Listed Companies) Regulation repealed

The Companies (Summary Financial Reports of Listed Companies) Regulation (Cap. 32 sub. leg. M)—

Repeal the Regulation.

Part 13

Repeal of Companies (Revision of Accounts and Reports) Regulation (Cap. 32 sub. leg. N)

201. Companies (Revision of Accounts and Reports) Regulation repealed

The Companies (Revision of Accounts and Reports) Regulation (Cap. 32 sub. leg. N)—

Repeal the Regulation.".

New By adding—

"**Schedule 9A** [ss. 900 & 908]

Consequential and Related Amendments to Other Ordinances and Subsidiary Legislation

Part 1

Amendment to Interpretation and General Clauses Ordinance (Cap. 1)

1. Section 88 amended (Provisions supplementary to section 84)

Section 88(3)(a)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

Part 2

Amendment to Specification of Public Officers (Cap. 1 sub. leg. C)

2. Schedule amended

The Schedule, the first and second entries relating to the Financial Secretary—

Repeal the entries.

Part 3

Amendment to High Court Ordinance (Cap. 4)

3. Section 21D amended (Sale of property in execution of judgment)

Section 21D(1)—

Repeal

"section 29 of the Companies Ordinance (Cap. 32)"

Substitute

"section 10 of the Companies Ordinance (of 2012)".

Part 4

Amendments to The Rules of the High Court (Cap. 4 sub. leg. A)

4. Order 1 amended (Citation, application, interpretation and forms)

(1) Order 1, rule 2(2), Table, item 2, under heading "Enactments"—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(2) Order 1, rule 2(2), Table, after item 2—

Add

"2A.	Proceedings relating to remedies for unfair prejudice to members' interests.	Companies Ordinance (of 2012), section 716.".

5. Order 102 amended (The Companies Ordinance)

(1) Order 102, heading—

Repeal

"THE COMPANIES ORDINANCE"

Substitute

"THE COMPANIES ORDINANCE AND THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE".

(2) Order 102—

Repeal rule 1.

(3) Order 102, rule 2(1)—

Repeal

"section 168A of the Ordinance and the applications mentioned in rule 5, every application under the Ordinance"

Substitute

"section 713 of the Companies Ordinance (of 2012) and the applications mentioned in rule 5, every application under that Ordinance or the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32)".

(4) Order 102, rule 2(2)(a)—

Repeal

"section 167 of the Ordinance for an order to make provision for all or any of the matters mentioned in subsection (1)"

Substitute

"section 665 of the Companies Ordinance (of 2012) for an order to make provision for all or any of the matters mentioned in subsection (2)".

(5) Order 102, rule 2(2)(b)—

Repeal

"the Ordinance"

Substitute

"the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32)".

(6) Order 102, rule 2(2)(c)—

Repeal

"the Ordinance"

Substitute

"the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) or section 886 of the Companies Ordinance (of 2012)".

(7) Order 102, rule 2(4)—

Repeal

"section 168BD of the Ordinance"

Substitute

"section 722 of the Companies Ordinance (of 2012)".

(8) Order 102, rule 5(1)—

Repeal

"under the Ordinance".

(9) Order 102, rule 5(1)(a)—

Repeal

"section 8"

Substitute

"section 84(5) of the Companies Ordinance (of 2012)".

(10) Order 102, rule 5(1)(b)—

Repeal

"section 25A to cancel the alteration of a condition contained in a private company's memorandum"

Substitute

"section 85(4) of the Companies Ordinance (of 2012) to cancel the alteration of a provision contained in the articles of association of a relevant company as defined by section 85(10) of that Ordinance".

(11) Order 102, rule 5(1)—

Repeal paragraphs (c), (d) and (e).

(12) Order 102, rule 5(1)(f)—

Repeal

"section 59"

Substitute

"section 221 of the Companies Ordinance (of 2012)".

(13) Order 102, rule 5(1)(g)—

Repeal

"section 64 to cancel any variation or abrogation of the rights attached to"

Substitute

"section 177 of the Companies Ordinance (of 2012) to disallow any variation or abrogation of the rights attached to shares in".

(14) Order 102, after rule 5(1)(g)—

Add

"(ga) under section 185 of the Companies Ordinance (of 2012) to disallow any variation or abrogation of the rights of any class of members of a company that does not have a share capital,".

(15) Order 102, rule 5(1)(h)—

Repeal

"section 166"

Substitute

"section 664 of the Companies Ordinance (of 2012)".

(16) Order 102, rule 5(1)(i)—

Repeal

"section 291(7) for an order restoring the name of a company to the register"

Substitute

"section 753 of the Companies Ordinance (of 2012) for the restoration of a company to the Companies Register".

(17) Order 102, rule 5(1)(j)—

Repeal

"section 323"

Substitute

"section 805 of the Companies Ordinance (of 2012)".

(18) Order 102, rule 5(1)(k)—

Repeal

"section 358(2)"

Substitute

"section 892 of the Companies Ordinance (of 2012)".

(19) Order 102, rule 6(2)—

Repeal

"Ordinance"

Substitute

"Companies Ordinance (of 2012) or the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32)".

(20) Order 102, rule 7(2)—

Repeal paragraph (a).

(21) Order 102, rule 7(2)(b)—

Repeal

"section 166 of the Ordinance to sanction a compromise or arrangement unless there is included in the petition for such sanction an application for an order under section 167 of the Ordinance"

Substitute

"section 664 of the Companies Ordinance (of 2012) to sanction an arrangement or compromise (except where the petition for such sanction includes an application for an order under section 665 of the Companies Ordinance (of 2012))".

(22) Order 102, rule 7(2)(c)—

Repeal

"section 291(7) of the Ordinance for an order restoring the name of a company to the register"

Substitute

"section 753 of the Companies Ordinance (of 2012) for the restoration of a company to the Companies Register".

(23) Order 102, rule 7(4)—

Repeal

", the share premium account or the capital redemption reserve fund,".

(24) Order 102, rule 7(4)—

Repeal

"section 59(3) of the Ordinance to direct that section 59(2) thereof"

Substitute

"section 221(3) of the Companies Ordinance (of 2012) to direct that section 222 of that Ordinance".

(25) Order 102, rule 14—

Repeal

"section 59(2) of the Ordinance" (wherever appearing)

Substitute

"section 222 of the Companies Ordinance (of 2012)".

(26) Order 102, rule 14(c)—

Repeal

"the said section 59(2)"

Substitute

"section 222 of the Companies Ordinance (of 2012)".

(27) Order 102—

Repeal rule 17.

6. Order 115 amended (Drug Trafficking (Recovery of Proceeds) Ordinance (Cap. 405))

Order 115, rule 32(4)—

Repeal

"registered under Part XI of the Companies Ordinance (Cap. 32)"

Substitute

"a registered non-Hong Kong company as defined by section 2(1) of the Companies Ordinance (of 2012)".

Part 5

Amendments to Bankruptcy Ordinance (Cap. 6)

7. Section 30B amended (Early discharge of bankrupt)

Section 30B(2)(g)—

Repeal

"Companies Ordinance (Cap. 32)"

Substitute

"Companies Ordinance (Cap. 32) as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012) or to section 471 of the Companies Ordinance (of 2012)".

8. Section 111 amended (Exclusion of corporations, companies and limited partnerships)

Section 111—

Repeal

everything after "shall not be made"

Substitute

"against—

(a) any corporation;

(b) any association or company registered under—

(i) a former Companies Ordinance as defined by section 2(1) of the Companies Ordinance (of 2012); or

(ii) the Companies Ordinance (of 2012); or

(c) any partnership registered under the Limited Partnerships Ordinance (Cap. 37).".

Part 6

Amendment to Evidence Ordinance (Cap. 8)

9. Section 20 amended (Copy of entry in banker's record)

(1) Section 20(5)(b)(i), after "Companies Ordinance (Cap. 32)"—

Add

"as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012) or under Part 3 or 17 of the Companies Ordinance (of 2012)".

(2) Section 20(5)(b)(ii)—

Repeal

"company to which Part XI of that Ordinance applies"

Substitute

"non-Hong Kong company as defined by section 2(1) of the Companies Ordinance (of 2012)".

Part 7

Amendment to Bills of Exchange Ordinance (Cap. 19)

10. Section 26A amended (Corporate signatures)

Section 26A(2)—

Repeal

"assigned to it by section 2(1) of the Companies Ordinance (Cap. 32) and includes a company to which Part XI of that Ordinance applies"

Substitute

"given by section 2(1) of the Companies Ordinance (of 2012) and includes a non-Hong Kong company as defined by that section".

Part 8

Amendment to Defamation Ordinance (Cap. 21)

11. Schedule amended

The Schedule, Part II, Section 11—

Repeal

"Companies Ordinance, Chapter 32"

Substitute

"Companies Ordinance (of 2012)".

Part 9

Amendments to Labour Tribunal Ordinance (Cap. 25)

12. Section 8A amended (Bankruptcy petitions and petitions for winding up)

Section 8A(1)(a)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

13. Section 25 amended (Representative claims)

Section 25(5)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

Part 10

Amendments to Trustee Ordinance (Cap. 29)

14. Section 77 amended (Application by company to be registered as a trust company)

(1) Section 77(1)—

Repeal

"section 29 of the Companies Ordinance (Cap. 32)"

Substitute

"section 10 of the Companies Ordinance (of 2012)".

(2) Section 77(2)(a)—

Repeal

"memorandum and".

(3) Section 77(3)(b)—

Repeal

"section 2(4), (5) and (6) of the Companies Ordinance (Cap. 32) shall apply as if each reference in those subsections to "a company" or "first-mentioned company" were read as a reference to a finance company and as if each reference in those subsections to "another company" or "other company""

Substitute

"section 14 of the Companies Ordinance (of 2012) applies as if a reference in that section to "a body corporate" were read as a reference to a finance company and as if the reference in that section to "another body corporate" or "other body corporate"".

(4) Section 77—

Repeal subsection (5).

15. Section 96 amended (Special provision as to winding up a trust company)

Section 96(1)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

16. Section 100 amended (Restriction on holding shares in a trust company)

Section 100(3)—

Repeal

"section 2(4), (5) and (6) of the Companies Ordinance (Cap. 32) shall apply as if each reference in those subsections to "a company" or "the first-mentioned company" were read as a reference to a trust company and as if each reference in those subsections to "another company" or "other company""

Substitute

"section 14 of the Companies Ordinance (of 2012) applies as if a reference in that section to "a body corporate" were read as a reference to a trust company and as if the reference in that section to "another body corporate" or "other body corporate"".

17. Second Schedule amended (Authorized investments)

(1) Second Schedule, section 8, definition of ***company***—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

(2) Second Schedule, section 8, definition of ***company***, after paragraph (a)—

Add

"(ab) incorporated under a former Companies Ordinance as defined by section 2(1) of the Companies Ordinance (of 2012);".

Part 11

Amendment to Co-operative Societies Ordinance (Cap. 33)

18. Section 57 amended (Certain legislation not to apply to registered societies)

Section 57—

Repeal

"Companies Ordinance (Cap. 32)"

Substitute

"Companies Ordinance (of 2012) and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32)".

Part 12

Amendments to Limited Partnerships Ordinance (Cap. 37)

19. Section 2 amended (Interpretation)

Section 2(1), definition of ***Registrar of Companies***—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

20. Section 5 amended (Modifications of general law in case of limited partnerships)

Section 5(5)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

21. Section 7 amended (Manner and particulars of registration)

Section 7, after "Registrar of Companies"—

Add

"for registration".

22. Section 8 amended (Registration of changes in partnerships)

Section 8(1), after "Registrar of Companies"—

Add

"for registration".

Part 13

Amendments to Insurance Companies Ordinance (Cap. 41)

23. Section 2 amended (Interpretation)

(1) Section 2(1), definition of ***company***—

Repeal

"assigned to it by section 2(1) of the Companies Ordinance (Cap. 32) and includes a company incorporated outside Hong Kong to which Part XI of that Ordinance applies"

Substitute

"given by section 2(1) of the Companies Ordinance (of 2012) and includes a non-Hong Kong company as defined by that section".

(2) Section 2(1), definition of ***financial year***—

Repeal

"has the meaning assigned to it by section 2(1) of the Companies Ordinance (Cap. 32)"

Substitute

"means the period in respect of which either of the following profit and loss accounts of the body corporate is made up, whether that period is a year or not—

(a) if the body corporate is not required to hold a general meeting to lay the profit and loss account, the profit and loss account provided to every member, as required by the law under which the body corporate is incorporated or (in the absence of such requirement by such law) by its constitution;

(b) in any other case, the profit and loss account laid before the body corporate in a general meeting, as required by the law under which the body corporate is

incorporated or (in the absence of such requirement by such law) by its constitution".

(3) Section 2(1)—

Repeal the definition of *holding company*

Substitute

"***holding company*** (控權公司) has the meaning given by section 12 of the Companies Ordinance (of 2012) for the purposes of that Ordinance;".

(4) Section 2(1), definition of ***subsidiary***—

Repeal

"assigned to it by section 2(4), (5) and (6) of the Companies Ordinance (Cap. 32)"

Substitute

"given by section 14 of the Companies Ordinance (of 2012) for the purposes of that Ordinance".

(5) Section 2(6)—

Repeal

everything after "which is a company"

Substitute

"is subject to the Companies Ordinance (of 2012) and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32), as well as to this Ordinance, except that, where there is any conflict between this Ordinance on the one hand and the Companies Ordinance (of 2012) or the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) on the other, this Ordinance prevails.".

(6) Section 2(7)(c)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

24. Section 8 amended (Authorization)

Section 8(3)(e)—

Repeal

everything after "in the case of a"

Substitute

"non-Hong Kong company as defined by section 2(1) of the Companies Ordinance (of 2012), that it has complied with Part 16 of that Ordinance; and".

25. Section 15 amended (Appointment of auditor and actuary)

Section 15(1)(a)(i)—

Repeal

"section 140 of the Companies Ordinance (Cap. 32)"

Substitute

"section 384 of the Companies Ordinance (of 2012)".

26. Section 15A amended (Notification in respect of auditors appointed under section 15)

(1) Section 15A(1)(c)(i)(A)—

Repeal

"section 131 of the Companies Ordinance (Cap. 32)"

Substitute

"section 386, 387, 388 or 389 of the Companies Ordinance (of 2012) or deemed to be

reappointed under section 394 of that Ordinance".

(2) Section 15A(1)(c)(i)(B)—

Repeal

"appointed"

Substitute

"appointed or deemed to be reappointed".

(3) Section 15A(1)(c)(ii)—

Repeal

"so appointed"

Substitute

"so appointed or deemed to be reappointed".

27. Section 16 amended (Keeping and preserving of proper books of account)

Section 16(1)—

Repeal

"Companies Ordinance (Cap. 32)"

Substitute

"Companies Ordinance (of 2012) and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32)".

28. Section 19 amended (Statements of transactions of prescribed class or description)

Section 19(3), after "Registrar of Companies"—

Add

"for registration".

29. Section 21 amended (Documents to be deposited with Registrar of Companies)

(1) Section 21(1)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

(2) Section 21(1), after "Registrar of Companies"—

Add

"for registration".

30. Section 24 amended (Sanction of Court of First Instance for transfer of long term business)

Section 24(7)—

Repeal

"section 166 or 167 of the Companies Ordinance (Cap. 32)"

Substitute

"section 664 or 665 of the Companies Ordinance (of 2012)".

31. Section 25 amended (Provisions supplementary to section 24)

(1) Section 25(3)—

Repeal

"section 66 of the Companies Ordinance (Cap. 32)"

Substitute

"sections 145 and 317 of the Companies Ordinance

(of 2012)".

(2) Section 25(6)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

32. Section 25A amended (Maintenance of assets in Hong Kong—general business)

Section 25A(8)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

33. Section 26 amended (Grounds on which powers are exercisable)

Section 26(2)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

34. Section 34 amended (Power to obtain information and require production of documents)

Section 34—

Repeal subsection (6).

35. Section 35 amended (Residual power to impose requirements, etc.)

Section 35(4)—

Repeal

"to which Part XI of the Companies Ordinance (Cap. 32) applies"

Substitute

"which is a non-Hong Kong company as defined by section 2(1) of the Companies Ordinance (of 2012)".

36. Section 38B amended (Powers of manager)

Section 38B(6) —

Repeal

"or the Companies Ordinance (Cap. 32)"

Substitute

", the Companies Ordinance (of 2012) or the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32),".

37. Section 38E amended (Advisors and managers)

Section 38E(7)(b)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

38. Section 39 repealed (Power of Financial Secretary to bring civil proceedings on behalf of insurer)

Section 39—

Repeal the section.

39. Section 42 amended (Circumstances in which insurer deemed to be insolvent)

Section 42(1)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

40. Section 43 amended (Winding up of insurer under Companies Ordinance)

(1) Section 43, heading—

Repeal

"**Companies Ordinance**"

Substitute

"**Companies (Winding Up and Miscellaneous Provisions) Ordinance**".

(2) Section 43—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

41. Section 44 amended (Winding up on petition of Insurance Authority)

Section 44(1) and (3)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

42. Section 45 amended (Winding up of insurer)

Section 45(4) and (5)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

43. Section 46 amended (Continuation of long term business of insurer in liquidation)

Section 46(4) and (7)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

44. Section 49 amended (Winding up rules)

Section 49(1) and (2)(b)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

45. Section 49A amended (Winding up of insurer subject to direction under section 35(2)(b))

Section 49A(1), (2) and (3)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

46. Section 55 amended (Service of notices)

Section 55(b)—

Repeal

"any person resident in Hong Kong who is authorized to accept service of process in Hong Kong on behalf of that insurer"

Substitute

"its authorized representative as defined by section 762 of the Companies Ordinance (of 2012)".

47. Section 56A amended (Restriction on use of the word "insurance" or "assurance")

Section 56A(3)(b) and (c), Chinese text—

Repeal

"控股公司"

Substitute

"控權公司".

48. Section 72 amended (Appointment of auditor)

Section 72(1)(a)—

Repeal

"section 140 of the Companies Ordinance (Cap. 32)"

Substitute

"section 384 of the Companies Ordinance (of 2012)".

49. Section 74 amended (Powers of Insurance Authority to require production, etc.)

Section 74—

Repeal subsection (5).

50. Section 76 amended (Power to petition to wind up an intermediary)

Section 76(1)(a)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

51. Second Schedule amended (Directors and Controllers)

(1) Second Schedule, Form A, paragraph 12, Note—

Repeal

"section 2(7) of the Companies Ordinance (Cap. 32)"

Substitute

"section 12 of the Companies Ordinance (of 2012)".

(2) Second Schedule, Form B, paragraph 6, Note—

Repeal

"section 2(7) of the Companies Ordinance"

Substitute

"section 12 of the Companies Ordinance (of 2012)".

(3) Second Schedule, Chinese text, Form B, paragraph 9—

Repeal

"控股公司" (wherever appearing)

Substitute

"控權公司".

(4) Second Schedule, Form B, paragraph 10—

Repeal

"company to which Part XI of the Companies Ordinance applies"

Substitute

"non-Hong Kong company as defined by section 2(1) of the Companies Ordinance (of 2012)".

(5) Second Schedule, Form B, paragraph 10(a)—

Repeal

"person(s) residing in Hong Kong authorized to accept on behalf of the company service of process and any notices"

Substitute

"its authorized representative(s) as defined by section 762 of the Companies Ordinance (of 2012)".

(6) Second Schedule, Form B, paragraph 10(b)—

Repeal

"registration under Part XI of the Companies Ordinance"

Substitute

"the certificate of registration issued under Part XI of the Companies Ordinance (Cap. 32) as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012) or under section 765 of the Companies Ordinance (of 2012)".

(7) Second Schedule, Form B, paragraph 12, Note—

Repeal

"section 2(7) of the Companies Ordinance"

Substitute

"section 12 of the Companies Ordinance (of 2012)".

52. Third Schedule amended (Accounts and statements)

(1) Third Schedule, Part 1, paragraph 1(2)(a)(ii)—

Repeal

"within the meaning of section 2 of the Companies Ordinance (Cap. 32)"

Substitute

"as defined by section 2(1) of the Companies Ordinance (of 2012)".

(2) Third Schedule, Part 1, paragraph 1(3)(b)—

Repeal

"within the meaning of section 2 of the Companies Ordinance (Cap. 32)"

Substitute

"as defined by section 2(1) of the Companies Ordinance (of 2012)".

(3) Third Schedule, Part 1, paragraph 1A(1)—

Repeal

everything after "parent"

Substitute

"undertaking or subsidiary undertaking is construed in accordance with Schedule 1 to the Companies Ordinance (of 2012).".

(4) Third Schedule, Part 1, paragraph 1A(2)(a), after "parent"—

Add

"undertaking that is a".

(5) Third Schedule, Chinese text, Part 1, paragraph 1A(2)(a)—

Repeal

"控股公司"

Substitute

"控權公司".

(6) Third Schedule, Chinese text, Part 1, paragraph 4(1)(d) and (e)(iii) and (1AD)(f) and (g)(iii)—

Repeal

"控股公司"

Substitute

"控權公司".

(7) Third Schedule, Part 1, paragraph 4(1A)—

Repeal

"section 140 of the Companies Ordinance (Cap. 32)"

Substitute

"section 384 of the Companies Ordinance (of 2012)".

(8) Third Schedule, Chinese text, Part 2, paragraph 9(j) and (l)—

Repeal

"控股公司" (wherever appearing)

Substitute

"控權公司".

(9) Third Schedule, Chinese text, Part 3, heading—

Repeal

"控股公司"

Substitute

"控權公司".

(10) Third Schedule, Chinese text, Part 3, paragraphs 10, 11 and 12—

Repeal

"控股公司"

Substitute

"控權公司".

(11) Third Schedule, Part 4, paragraph 14—

Repeal

"authorized share capital"

Substitute

"authorized share capital (or maximum number of shares issuable under the articles)".

(12) Third Schedule, Part 4, paragraph 14(c), after "share premium accounts"—

Add

"(if any)".

53. Fourth Schedule amended (Proposed appointment of controller within the meaning of section 13A(1) or authorized representative under section 50B)

(1) Fourth Schedule, Form A, paragraph 12, Note—

Repeal

"section 2(7) of the Companies Ordinance (Cap. 32)"

Substitute

"section 12 of the Companies Ordinance (of 2012)".

(2) Fourth Schedule, Form B, paragraph 6, Note—

Repeal

"section 2(7) of the Companies Ordinance (Cap. 32)"

Substitute

"section 12 of the Companies Ordinance (of 2012)".

(3) Fourth Schedule, Chinese text, Form B, paragraph 9—

Repeal

"控股公司" (wherever appearing)

Substitute

"控權公司".

(4) Fourth Schedule, Form B, paragraph 10—

Repeal

"company to which Part XI of the Companies Ordinance (Cap. 32) applies"

Substitute

"non-Hong Kong company as defined by section 2(1) of the Companies Ordinance (of 2012)".

(5) Fourth Schedule, Form B, paragraph 10(a)—

Repeal

"person(s) residing in Hong Kong authorized to accept on behalf of the company service of process and any notices"

Substitute

"its authorized representative(s) as defined by section 762 of the Companies Ordinance (of 2012)".

(6) Fourth Schedule, Form B, paragraph 10(b)—

Repeal

"registration under Part XI of the Companies Ordinance (Cap. 32)"

Substitute

"the certificate of registration issued under Part XI of the Companies Ordinance (Cap. 32) as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012) or under section 765 of the Companies Ordinance (of 2012)".

(7) Fourth Schedule, Form B, paragraph 11, Note—

Repeal

"section 2(7) of the Companies Ordinance (Cap. 32)"

Substitute

"section 12 of the Companies Ordinance (of 2012)".

54. Fifth Schedule amended (Person proposing to become controller within the meaning of section 13B(1))

(1) Fifth Schedule, Form A, paragraph 12, Note—

Repeal

"section 2(7) of the Companies Ordinance (Cap. 32)"

Substitute

"section 12 of the Companies Ordinance (of 2012)".

(2) Fifth Schedule, Form B, paragraph 6, Note—

Repeal

"section 2(7) of the Companies Ordinance (Cap. 32)"

Substitute

"section 12 of the Companies Ordinance (of 2012)".

(3) Fifth Schedule, Chinese text, Form B, paragraph 9—

Repeal

"控股公司" (wherever appearing)

Substitute

"控權公司".

(4) Fifth Schedule, Form B, paragraph 10—

Repeal

"company to which Part XI of the Companies Ordinance (Cap. 32) applies"

Substitute

"non-Hong Kong company as defined by section 2(1) of the Companies Ordinance (of 2012)".

(5) Fifth Schedule, Form B, paragraph 10(a)—

Repeal

"person(s) residing in Hong Kong authorized to accept on behalf of the company service of process and any notices"

Substitute

"its authorized representative(s) as defined by section 762 of the Companies Ordinance (of 2012)".

(6) Fifth Schedule, Form B, paragraph 10(b)—

Repeal

"registration under Part XI of the Companies Ordinance (Cap. 32)"

Substitute

"the certificate of registration issued under Part XI of the Companies Ordinance (Cap. 32) as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012) or under section 765 of the Companies Ordinance (of 2012)".

(7) Fifth Schedule, Form B, paragraph 11, Note—

Repeal

"section 2(7) of the Companies Ordinance (Cap. 32)"

Substitute

"section 12 of the Companies Ordinance (of 2012)".

55. Sixth Schedule amended (Person who has become controller of insurer in contravention of section 13B(2))

(1) Sixth Schedule, Form A, paragraph 12, Note—

Repeal

"section 2(7) of the Companies Ordinance (Cap. 32)"

Substitute

"section 12 of the Companies Ordinance (of 2012)".

(2) Sixth Schedule, Form B, paragraph 6, Note—

Repeal

"section 2(7) of the Companies Ordinance"

Substitute

"section 12 of the Companies Ordinance (of 2012)".

(3) Sixth Schedule, Chinese text, Form B, paragraph 9—

Repeal

"控股公司" (wherever appearing)

Substitute

"控權公司".

(4) Sixth Schedule, Form B, paragraph 10—

Repeal

"company to which Part XI of the Companies Ordinance applies"

Substitute

"non-Hong Kong company as defined by section 2(1) of the Companies Ordinance (of 2012)".

(5) Sixth Schedule, Form B, paragraph 10(a)—

Repeal

"person(s) residing in Hong Kong authorized to accept on behalf of the company service of process and any notices"

Substitute

"its authorized representative(s) as defined by section 762 of the Companies Ordinance (of 2012)".

(6) Sixth Schedule, Form B, paragraph 10(b)—

Repeal

"registration under Part XI of the Companies Ordinance"

Substitute

"the certificate of registration issued under Part XI of the Companies Ordinance (Cap. 32) as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012) or under section 765 of the Companies Ordinance (of 2012)".

(7) Sixth Schedule, Form B, paragraph 12, Note—

Repeal

"section 2(7) of the Companies Ordinance"

Substitute

"section 12 of the Companies Ordinance (of 2012)".

Part 14

Amendments to Insurance Companies (General Business) (Valuation) Regulation (Cap. 41 sub. leg. G)

56. Section 2 amended (Interpretation)

Section 2, Chinese text, definition of ***獨立合格估價師***, paragraph (b)—

Repeal

"控股公司"

Substitute

"控權公司".

57. Section 5 amended (Shares in investment subsidiaries)

(1) Section 5(1), Chinese text—

Repeal

"控股公司"

Substitute

"控權公司".

(2) Section 5(6)(b)—

Repeal

"nominal value of the"

Substitute

"total number of".

58. Section 6 amended (Shares in other insurers)

(1) Section 6(1), Chinese text—

Repeal

"控股公司"

Substitute

"控權公司".

(2) Section 6(5)—

Repeal

"nominal value of the"

Substitute

"total number of".

Part 15

Amendment to Transfer of Businesses (Protection of Creditors) Ordinance (Cap. 49)

59. Section 2 amended (Interpretation)

(1) Section 2(1), definition of ***charge***, paragraph (a)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

(2) Section 2(1), definition of ***registered charge***—

Repeal

everything after "a charge"

Substitute

"which—

(a) is registered under—

(i) the Land Registration Ordinance (Cap. 128);

(ii) the Companies Ordinance (of 2012);

(iii) the Bills of Sale Ordinance (Cap. 20); or

(iv) any other enactment; or

(b) was registered under the Companies Ordinance (Cap. 32) as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012).".

Part 16

Amendments to Professional Accountants Ordinance (Cap. 50)

60. Section 28D amended (Qualification for registration of company as corporate practice)

(1) Section 28D(1)—

Repeal

everything after "subsection (11)(b),"

Substitute

"only a company limited by shares, and formed and registered under either of the following Ordinances, is qualified for registration as a corporate practice—

(a) the Companies Ordinance (of 2012); or

(b) the Companies Ordinance (Cap. 32) as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012).".

(2) Section 28D, after subsection (1)—

Add

"(1A) If a company mentioned in subsection (1) is so registered, it is qualified to remain registered as a corporate practice if and only for as long as the requirements specified in subsection (2) are complied with in relation to it.".

(3) Section 28D(2)(b)(iv)—

Repeal

"memorandum and".

(4) Section 28D(5)(a)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

(5) Section 28D(5)(c)(iii)—

Repeal

"memorandum and".

(6) Section 28D(11)(a)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

61. Section 28E amended (Registration of corporate practices)

Section 28E(1)(b)—

Repeal

"for the purposes of the Companies Ordinance (Cap. 32)"

Substitute

"in Hong Kong".

62. Section 29 amended (Requirements to practise as certified

public accountant (practising))

Section 29(2)(a)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

63. Section 31 amended (Registered office)

Section 31(5)(b)(i)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

64. Section 51 amended (Power of Council to make rules)

Section 51(1)(a)—

Repeal

"memorandum or".

Part 17

Amendment to Gas Safety Ordinance (Cap. 51)

65. Section 2 amended (Interpretation)

(1) Section 2, definition of ***company***, paragraph (a)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

(2) Section 2, definition of ***company***, after paragraph (a)—

Add

"(ab) incorporated under a former Companies Ordinance as defined by section 2(1) of the Companies Ordinance (of 2012);".

(3) Section 2, definition of ***officer***—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

Part 18

Amendments to Employment Ordinance (Cap. 57)

66. Section 31K amended (Associated companies)

Section 31K—

Repeal subsection (6)

Substitute

"(6) In this section—

company (公司) has the meaning given by section 2(1) of the Companies Ordinance (of 2012);

subsidiary (附屬公司) has the meaning given by section 14 of the Companies Ordinance (of 2012) for the purposes of that Ordinance.".

67. Section 31ZA amended (Associated companies)

Section 31ZA—

Repeal subsection (5)

Substitute

"(5) In this section—

company (公司) has the meaning given by section 2(1) of the Companies Ordinance (of 2012);

subsidiary (附屬公司) has the meaning given by section 14 of the Companies Ordinance (of 2012) for the purposes of that Ordinance.".

68. Section 32E amended (Associated companies)

Section 32E—

Repeal subsection (4)

Substitute

"(4) In this section—

company (公司) has the meaning given by section 2(1) of the Companies Ordinance (of 2012);

subsidiary (附屬公司) has the meaning given by section 14 of the Companies Ordinance (of 2012) for the purposes of that Ordinance.".

69. Section 43 amended (Payment of holiday pay, etc. in event of bankruptcy, etc.)

Section 43—

Repeal

"Companies Ordinance" (wherever appearing)

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

Part 19

Amendment to Import and Export (Removal of Articles) Regulations (Cap. 60 sub. leg. F)

70. Regulation 6 amended (Service of notice)

Regulation 6(1)(c)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

Part 20

Amendments to Legal Tender Notes Issue Ordinance (Cap. 65)

71. Section 3 amended (Issue of legal tender notes)

Section 3(3)(a)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

72. Section 5A amended (Section 93 of the Companies Ordinance not to apply to bank notes issued by a note – issuing bank)

(1) Section 5A, heading—

Repeal

"Section 93 of the Companies Ordinance"

Substitute

"Regulations made under section 650 of the Companies Ordinance (of 2012)".

(2) Section 5A—

Repeal

"The provisions of section 93 of the Companies Ordinance (Cap. 32) shall"

Substitute

"Any regulation made under section 650 of the Companies Ordinance (of 2012) does".

Part 21

Amendments to The Hongkong and Shanghai Banking Corporation Limited Ordinance (Cap. 70)

73. Section 2 amended (Interpretation)

(1) Section 2, English text, definition of ***Ordinance*** or ***the Ordinance***—

Repeal the full stop

Substitute a semicolon.

(2) Section 2—

Add in alphabetical order

"***relevant Ordinance*** (《有關條例》) means the Companies Ordinance (Cap. 32) as in force from time to time before the commencement date of section 2 of Schedule 9 to the

Companies Ordinance (of 2012).".

74. Section 3 amended (Incorporation)

Section 3—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

75. Section 4 amended (Constitution)

(1) Section 4(1)—

Repeal

"registered under the Companies Ordinance (Cap. 32)"

Substitute

"registered under the relevant Ordinance".

(2) Section 4(1)(a)—

Repeal

"all the provisions of the Companies Ordinance (Cap. 32)"

Substitute

"a provision of the Companies Ordinance (of 2012) or the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32)".

(3) Section 4(1)(b)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(4) Section 4(1), proviso—

Repeal

"Companies Ordinance (Cap. 32)"

Substitute

"relevant Ordinance".

(5) Section 4(2)—

Repeal

"Part IX of the Companies Ordinance (Cap. 32) shall"

Substitute

"Part 17 of the Companies Ordinance (of 2012) and sections 324 and 325 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) do".

76. Section 5 amended (Overriding provisions)

(1) Section 5(1)—

Repeal

"contained in the Companies Ordinance (Cap. 32)"

Substitute

"contained in the Companies Ordinance (of 2012), the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32)".

(2) Section 5(1)—

Repeal

"of the Companies Ordinance (Cap. 32)"

Substitute

"of the Companies Ordinance (of 2012)".

77. Schedule amended

The Schedule—

Repeal

"share capital of the Company then in issue"

Substitute

"issued shares of the Company".

Part 22

Amendments to The Hongkong and Shanghai Banking Corporation Limited (Amendment) Ordinance 1997 (54 of 1997)

78. Section 2 amended (Interpretation)

(1) Section 2(1), definition of ***the bank***—

Repeal

"Companies Ordinance (Cap. 32)"

Substitute

"relevant Ordinance".

(2) Section 2(1)—

Add in alphabetical order

"***relevant Ordinance*** (《有關條例》) means the Companies Ordinance (Cap. 32) as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012);".

(3) Section 2(2)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012) or the Companies (Winding up and Miscellaneous Provisions) Ordinance (Cap. 32)".

(4) Section 2(2), after "requires."—

Add

"If an expression used in this Ordinance is defined in both the Companies Ordinance (of 2012) and the Companies (Winding up and Miscellaneous Provisions) Ordinance (Cap. 32), the expression has the meaning given by the Companies Ordinance (of 2012).".

79. Section 9 amended (Alteration of the bank's constitution)

(1) Section 9(2)—

Repeal

"Companies Ordinance (Cap. 32)"

Substitute

"relevant Ordinance".

(2) Section 9(3)—

Repeal

"Companies Ordinance (Cap. 32)"

Substitute

"relevant Ordinance".

80. Section 10 amended (Changes in the bank's authorized and issued share capital)

(1) Section 10, heading—

Repeal

"**authorized and**".

(2) Section 10—

Repeal

"authorized or".

(3) Section 10—

Repeal

"(Cap. 32) and"

Substitute

"(of 2012) and".

(4) Section 10—

Repeal

"purchase"

Substitute

"buy-back".

(5) Section 10—

Repeal

"Companies Ordinance (Cap. 32),"

Substitute

"relevant Ordinance,".

81. Section 12 amended (Miscellaneous savings)

(1) Section 12(d)—

Repeal

everything after "to affect"

Substitute

"—

(i) the application of the relevant Ordinance to the bank with effect on and from 6 October 1989 until immediately before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012) by virtue of the registration of the bank under the relevant Ordinance on 6 October 1989; and

(ii) the application of the Companies Ordinance (of 2012) or the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) to the bank with effect on and from the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012).".

(2) Section 12(e)—

Repeal

"Companies Ordinance (Cap. 32),"

Substitute

"relevant Ordinance,".

Part 23

Amendments to Ferry Services Ordinance (Cap. 104)

82. Section 6 amended (Grant of franchises)

Section 6(1)—

Repeal

everything after "may grant"

Substitute

"to—

(a) any company within the meaning of the Companies Ordinance (of 2012);

(b) a registered non-Hong Kong company as defined by section 2(1) of that Ordinance;

(c) a company registered under Part 17 of that Ordinance; or

(d) a company registered under Part IX of the Companies Ordinance (Cap. 32) as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012),

a franchise that confers the right to operate a ferry service between such points as are specified by the Chief Executive in Council.".

83. Section 10 amended (Chief Executive may appoint additional directors)

Section 10(1)—

Repeal

"Companies Ordinance (Cap. 32)"

Substitute

"Companies Ordinance (of 2012), the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32)".

Part 24

Amendments to Telecommunications Ordinance (Cap. 106)

84. Section 13A amended (Interpretation)

(1) Section 13A(1), definition of ***company***—

Repeal

"assigned to it in section 2(1) of the Companies Ordinance (Cap. 32)"

Substitute

"given by section 2(1) of the Companies Ordinance (of 2012)".

(2) Section 13A(1), definition of ***ordinarily resident in Hong Kong***, paragraph (b)(i)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012) or under a former Companies Ordinance as defined by section 2(1) of the Companies Ordinance (of 2012)".

(3) Section 13A(1), definition of ***subsidiary***—

Repeal

"means a company that is a subsidiary within the meaning of section 2 of the Companies Ordinance (Cap. 32)"

Substitute

"has the meaning given by section 14 of the Companies Ordinance (of 2012) for the purposes of that Ordinance".

85. Section 13F amended (Competence of licensees)

(1) Section 13F(a)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012) or under a former Companies Ordinance as defined by section 2(1) of the Companies Ordinance (of 2012)".

(2) Section 13F(c)—

Repeal

"memorandum"

Substitute

"articles".

Part 25

Amendment to Telecommunications Regulations (Cap. 106 sub. leg. A)

86. Regulation 9 amended (Notices)

Regulation 9—

Repeal

"section 356 of the Companies Ordinance (Cap. 32)"

Substitute

"section 815 of the Companies Ordinance (of 2012)".

Part 26

Amendments to Betting Duty Ordinance (Cap. 108)

87. Section 1A amended (Interpretation)

Section 1A(1), definition of ***company***—

Repeal

"(Cap. 32), or a company registered under Part XI"

Substitute

"(of 2012), or a company registered under Part 16".

88. Section 6B amended (Interpretation of Part 3)

Section 6B(1), definition of ***subsidiary***—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

Part 27

Amendment to Betting Duty Regulations (Cap. 108 sub. leg. A)

89. Regulation 2 amended (Interpretation)

Regulation 2, definition of ***qualified person***—

Repeal

"section 140 of the Companies Ordinance (Cap. 32)"

Substitute

"section 384 of the Companies Ordinance (of 2012)".

Part 28

Amendments to Estate Duty Ordinance (Cap. 111)

90. Section 10 amended (Exceptions for transactions for money consideration, property situate outside Hong Kong, shares on local registers and certain land in the New Territories)

Section 10(c)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

91. Section 43 amended (Collection and incidence of duty)

Section 43(5)—

Repeal

"Companies Ordinance" (wherever appearing)

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

Part 29

Amendments to Inland Revenue Ordinance (Cap. 112)

92. Section 2 amended (Interpretation)

Section 2, definition of ***debenture***—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

93. Section 14A amended (Qualifying debt instruments)

Section 14A(4), definition of ***wholly owned subsidiary***—

Repeal

"section 124 of the Companies Ordinance (Cap. 32) by subsection (4) of that section"

Substitute

"Part 9 of the Companies Ordinance (of 2012) by section 356(3) of that Ordinance".

94. Section 16 amended (Ascertainment of chargeable profits)

(1) Section 16(2E)(c)(ii)(C)—

Repeal

"in nominal value".

(2) Section 16(2F)(c)(ii)(C)—

Repeal

"in nominal value".

95. Section 88B amended (Notice of no objection in respect of an application to deregister a private company under section 291AA of Companies Ordinance)

(1) Section 88B, heading—

Repeal

"section 291AA of Companies Ordinance"

Substitute

"section 738 of the Companies Ordinance (of 2012)".

(2) Section 88B(1)—

Repeal

"section 291AA of the Companies Ordinance (Cap. 32)"

Substitute

"section 738 of the Companies Ordinance (of 2012)".

96. Schedule 16 amended (Specified transactions)

Schedule 16, definition of ***securities***—

Repeal

"section 29 of the Companies Ordinance (Cap. 32)"

Substitute

"section 10 of the Companies Ordinance (of 2012)".

Part 30

Amendment to Inland Revenue (Qualifying Debt Instruments) Order (Cap. 112 sub. leg. M)

97. Schedule amended

The Schedule, item 1—

Repeal

"in nominal value".

Part 31

Amendment to Hospital Authority Ordinance (Cap. 113)

98. Section 19 amended (Governing body of prescribed

hospital specified in Schedule 2 may enter into agreement referred to in section 5(a), etc.)

Section 19(3)(b)—

Repeal

", or memorandum, within the meaning of the Companies Ordinance (Cap. 32)"

Substitute

"of association".

Part 32

Amendments to Stamp Duty Ordinance (Cap. 117)

99. Section 2 amended (Interpretation)

Section 2(1)—

Add in alphabetical order

"***relevant Ordinance*** (《有關條例》) means the Companies Ordinance (Cap. 32) as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012);".

100. Section 4 amended (Charging of, liability for, and recovery of stamp duty)

(1) Section 4(7)—

Repeal

"Companies Ordinance (Cap. 32) to be delivered to the Registrar of Companies for registration in respect of any contract mentioned in subsection (1)(b) of that section"

Substitute

"relevant Ordinance, or by section 137(1) of the Companies Ordinance (of 2012), to be delivered to the Registrar of Companies for registration in

respect of any contract referred to in section 4(7A)(a) or (b), as the case may be,".

(2) After section 4 (7)—

Add

"(7A) The contract referred to in subsection (7) is—

(a) a contract mentioned in section 45(1)(b) of the relevant Ordinance; or

(b) a contract mentioned in section 137(2)(d)(iii) of the Companies Ordinance (of 2012).".

101. Section 19 amended (Contract notes, etc. in respect of sale and purchase of Hong Kong stock)

Section 19(16), definition of ***relevant event***—

Repeal paragraph (a)

Substitute

"(a) the exercise of any of the powers conferred by section 53(1)(a) to (d) of the relevant Ordinance;

(ab) the exercise of any of the powers conferred by section 165(2)(a) to (e) and 169(1) of the Companies Ordinance (of 2012); or".

102. Section 29CA amended (Further provisions on special stamp duty chargeable on certain agreements for sale)

Section 29CA(11)(b)(v)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

103. Section 29DA amended (Further provisions on special stamp duty chargeable on certain conveyances on sale)

Section 29DA(11)(b)(v)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

104. Section 39 amended (Instruments generally exempted)

Section 39(g)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

Part 33

Amendment to Audit Ordinance (Cap. 122)

105. Schedule 1 amended (Accounts and funds subject to audit by the Director)

Schedule 1, item 6—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

Part 34

Amendment to Land Registration Regulations (Cap. 128 sub. leg. A)

106. Regulation 9 amended (Size and form of instruments)

(1) Regulation 9(1)(b)(ii)(A)—

Repeal

"(Cap. 32);"

Substitute

"(of 2012) or under a former Companies Ordinance as defined by section 2(1) of the Companies Ordinance (of 2012); or".

(2) Regulation 9(1)(b)(ii)(B)—

Repeal

"that Ordinance"

Substitute

"sub-subparagraph (A)".

Part 35

Amendments to Public Health and Municipal Services Ordinance (Cap. 132)

107. Section 2 amended (Interpretation)

Section 2(1), definition of ***corporation***—

Repeal

"(Cap. 32)"

Substitute

"(of 2012) or under a former Companies Ordinance as defined by section 2(1) of the Companies Ordinance (of 2012)".

108. Section 125 amended (General provisions as to licences, etc.)

Section 125(6)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012) or under a former Companies Ordinance as defined by section 2(1) of the Companies Ordinance (of 2012)".

Part 36

Amendments to Gambling Regulations (Cap. 148 sub. leg. A)

109. Regulation 3 amended (Other forms to accompany applications)

Regulation 3(2)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

110. First Schedule amended

(1) First Schedule, Form 7, item 4, after "Memorandum"—

Add

"of Association (if any)".

(2) First Schedule, Form 7—

Repeal item 5

Substitute

"5. Issued capital……".

(3) First Schedule, Chinese text, Form 7, item 13—

Repeal

"控股公司"

Substitute

"控權公司".

Part 37

Amendments to Societies Ordinance (Cap. 151)

111. Schedule amended (Persons to which the Ordinance does not apply)

(1) The Schedule, item (1)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

(2) The Schedule, after item (1)—

Add

"(1A) Any company registered under a former Companies Ordinance as defined by section 2(1) of the Companies Ordinance (of 2012).".

Part 38

Amendments to Banking Ordinance (Cap. 155)

112. Section 2 amended (Interpretation)

(1) Section 2(1), definition of ***authorized institution incorporated in Hong Kong***—

Repeal

"(Cap. 32)"

Substitute

"(of 2012), a former Companies Ordinance as defined by section 2(1) of the Companies Ordinance (of 2012)".

(2) Section 2(1), definition of ***capital base***, paragraph (a)(ii), after "share premium account"—

Add

"(if any)".

(3) Section 2(1), definition of ***company***, paragraph (a)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

(4) Section 2(1), definition of ***company***, after paragraph (a)—

Add

"(ab) incorporated under a former Companies Ordinance as defined by section 2(1) of the Companies Ordinance (of 2012);".

(5) Section 2(1), definition of ***deposit***, paragraph (b)(i)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(6) Section 2(1)—

Repeal the definition of *holding company* and *subsidiary*

Substitute

"***holding company*** (控權公司) and ***subsidiary*** (附屬公司) have the same meaning as in the Companies Ordinance (of 2012);".

(7) Section 2(1), definition of ***share premium account***—

Repeal

everything after "(股份溢價帳)"

Substitute

"means the account to which the aggregate amount or value of the premiums on shares issued (whether for cash or otherwise) is transferred;".

(8) Section 2(1), definition of ***The DTC Association***, after "Companies Ordinance (Cap. 32)"—

Add

"as in force at the time of the incorporation".

(9) Section 2(15)(b)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous

Provisions) Ordinance".

113. Section 3 amended (Application)

(1) Section 3(1)(c)—

Repeal

everything after "mortgage, or"

Substitute

"charge—

(i) registered, or to be registered, under the Companies Ordinance (of 2012);

(ii) registered, or to be registered, under a provision of the Companies Ordinance (Cap. 32) as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012), having a continuing effect under Schedule 10 to the Companies Ordinance (of 2012); or

(iii) registered under a former Companies Ordinance as defined by section 2(1) of the Companies Ordinance (of 2012);".

(2) Section 3(5)—

Repeal

"under the Companies Ordinance (Cap. 32) shall be subject to that Ordinance as well as to this Ordinance, except that where there is any conflict or inconsistency between this Ordinance and the Companies Ordinance (Cap. 32) the provisions of this Ordinance shall prevail."

Substitute

"under—

(a) the Companies Ordinance (of 2012); or

(b) the Companies Ordinance (Cap. 32) as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012),

is subject to the Companies Ordinance (of 2012) and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32), as well as to this Ordinance, except that, where there is any conflict between this Ordinance on the one hand and the Companies Ordinance (of 2012) or the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) on the other, this Ordinance prevails.".

114. Section 16 amended (Grant or refusal of authorization, etc.)

(1) Section 16(9)(b)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

(2) Section 16(9)(b)(iii)—

Repeal

"section 129D(1) of the Companies Ordinance (Cap. 32)"

Substitute

"section 380 of the Companies Ordinance (of 2012)".

115. Section 51A amended (Control of establishment, etc. of overseas banking corporations)

Section 51A(2), (3)(a) and (b), (4), (6) and (8), Chinese text—

Repeal

"控股公司" (wherever appearing)

Substitute

"控權公司".

116. Section 53C amended (Powers of Manager)

(1) Section 53C(7)(a)(i)—

Repeal

"or the Companies Ordinance (Cap. 32)"

Substitute

", the Companies Ordinance (of 2012) or the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32)".

(2) Section 53C(7)(a)(ii)—

Repeal

"memorandum or" (wherever appearing).

117. Section 59 amended (Audit)

Section 59(1)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

118. Section 59A amended (Notification in respect of auditors)

(1) Section 59A(2)—

Repeal

"section 131 of the Companies Ordinance (Cap. 32)"

Substitute

"section 386, 387, 388 or 389 of the Companies Ordinance (of 2012)".

(2) Section 59A(2)(c)—

Repeal

"section 141 of the Companies Ordinance (Cap. 32)"

Substitute

"section 397 or 398 of the Companies Ordinance (of 2012)".

119. Section 60 amended (Publication of audited balance sheet, etc.)

(1) Section 60(3)(b)—

Repeal

"section 141 of the Companies Ordinance (Cap. 32)"

Substitute

"section 396 of the Companies Ordinance (of 2012)".

(2) Section 60(3)(c)—

Repeal

"in accordance with section 129D(1) of that Ordinance"

Substitute

"under Division 6 of Part 9 of that Ordinance".

(3) Section 60(5A), Chinese text—

Repeal

"控股公司"

Substitute

"控權公司".

(4) Section 60(11)(a)—

Repeal

"section 141 of the Companies Ordinance (Cap. 32)"

Substitute

"section 396 of the Companies Ordinance (of 2012)".

120. Section 63 amended (Returns and information to be submitted to the Monetary Authority)

Section 63(2A)(a) and (b) and (6), Chinese text—

Repeal

"控股公司" (wherever appearing)

Substitute

"控權公司".

121. Section 63A amended (Auditor to report to Monetary Authority any matter which adversely affects financial position of authorized institution to material extent)

Section 63A(1)(b)—

Repeal

"section 131 of the Companies Ordinance (Cap. 32)"

Substitute

"section 386, 387, 388 or 389 of the Companies Ordinance (of 2012)".

122. Section 63B amended (Auditors of registered institutions

to submit report to Monetary Authority in certain cases)

Section 63B(a)(ii)—

Repeal

"section 131 of the Companies Ordinance (Cap. 32)"

Substitute

"section 386, 387, 388 or 389 of the Companies Ordinance (of 2012)".

123. Section 64 amended (Information on shareholding, etc.)

Section 64(1)(a)—

Repeal

"share capital"

Substitute

"issued shares".

124. Section 80 amended (Advance against security of own shares, etc.)

Section 80(2)(a) and (c), Chinese text—

Repeal

"控股公司"

Substitute

"控權公司".

125. Section 81 amended (Limitations on advances by authorized institutions)

(1) Section 81(1)(b)(i) and (c), Chinese text—

Repeal

"控股公司"

Substitute

"控權公司".

(2) Section 81(2)(b)—

Repeal

"(Cap. 32)) and other debt securities"

Substitute

"(of 2012))".

(3) Section 81(4)(a), (b) and (c) and (4A)(a) and (c), Chinese text—

Repeal

"控股公司" (wherever appearing)

Substitute

"控權公司".

126. Section 97 amended (Restrictions on use of name "bank")

Section 97(6), Chinese text, definition of ***稱謂***, paragraphs (b) and (c)—

Repeal

"控股公司"

Substitute

"控權公司".

127. Section 118 amended (Powers of the inspector and offences in connection with the investigation)

Section 118(2)(a), (b) and (c), Chinese text—

Repeal

"控股公司"

Substitute

"控權公司".

128. Section 122 amended (Winding-up of authorized institutions)

Section 122(1), (2), (3), (4) and (5)—

Repeal

"Companies Ordinance" (wherever appearing)

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

129. Section 131 amended (Recovery of fees, expenses, etc.)

Section 131(3)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

130. Section 134 amended (Service of notices)

(1) Section 134(2)(a)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

(2) Section 134(3)—

Repeal

"section 356 of the Companies Ordinance (Cap. 32)"

Substitute

"section 815 of the Companies Ordinance (of 2012)".

(3) Section 134(4)—

Repeal

everything after "generality of"

Substitute

"section 791 of the Companies Ordinance (of 2012), and accordingly, a variation, notice, resolution or determination referred to in that subsection may be served on an authorized representative (as defined by section 762(1) of that Ordinance) of the authorized institution concerned.".

131. Section 134A amended (Monetary Authority to consult, etc., before attaching conditions to authorization)

Section 134A(1)(a)(iv), after "Companies Ordinance (Cap. 32)—

Add

"as in force at the time of the incorporation".

132. Seventh Schedule amended (Minimum criteria for authorization)

(1) Seventh Schedule, paragraph 6(a), (b) and (c), after "share premium account"—

Add

"(if any)".

(2) Seventh Schedule, paragraph 11(b)(iii)—

Repeal

"section 129D(1) of the Companies Ordinance (Cap. 32)"

Substitute

"section 380 of the Companies Ordinance (of 2012)".

(3) Seventh Schedule, Chinese text, paragraph 13(a)(i)(F) and (G) and (b)(ii)(B)—

Repeal

"控股公司"

Substitute

"控權公司".

133. Eleventh Schedule amended (Minimum criteria for approval as money broker)

Eleventh Schedule, paragraph 5, after "share premium account"—

Add

"(if any)".

Part 39

Amendment to Banking Ordinance (Deposit-taking Exemptions) (Consolidation) Notice (Cap. 155 sub. leg. A)

134. First Schedule amended (Persons exempt from section 12)

First Schedule, paragraph 2(2)—

Repeal

"issued and paid up share capital"

Substitute

"issued shares".

Part 40

Amendments to Banking (Capital) Rules (Cap. 155 sub. leg. L)

135. Section 2 amended (Interpretation)

(1) Section 2(1), definition of ***group of companies***—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

(2) Section 2(1), Chinese text, definition of ***母銀行***—

Repeal

"控股公司" (wherever appearing)

Substitute

"控權公司".

(3) Section 2(1), Chinese text, definition of ***惠譽評級***, paragraph (a)(i)—

Repeal

"控股公司"

Substitute

"控權公司".

(4) Section 2(1), Chinese text, definition of ***標準普爾評級服務***, paragraph (a)—

Repeal

"控股公司"

Substitute

"控權公司".

(5) Section 2(1), Chinese text, definition of ***穆迪投資者服務***, paragraph (a)—

Repeal

"控股公司"

Substitute

"控權公司".

136. Section 35 amended (Interpretation of Part 3)

(1) Section 35, definition of ***debentures***—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

(2) Section 35, definition of ***subsidiary undertaking***—

Repeal

"section 2B of the Companies Ordinance (Cap. 32) as read with the Twenty-third Schedule"

Substitute

"section 15 of the Companies Ordinance (of 2012) as read with Schedule 1".

(3) Section 35, Chinese text, definition of ***連繫公司***, paragraph (a)—

Repeal

"控股公司"

Substitute

"控權公司".

137. Section 38 amended (Core capital of authorized institution)

Section 38(c), after "share premium account"—

Add

"(if any)".

138. Section 48 amended (Deductions from core capital and supplementary capital)

Section 48(2)(a), Chinese text—

Repeal

"控股公司"

Substitute

"控權公司".

Part 41

Amendments to Banking (Disclosure) Rules (Cap. 155 sub. leg. M)

139. Section 2 amended (Interpretation)

Section 2(1), Chinese text, definition of ***金融企業***, paragraph (a)(iv)—

Repeal

"控股公司"

Substitute

"控權公司".

140. Section 24 amended (Capital structure and adequacy)

Section 24(2)(a)(iii), after "share premium account"—

Add

"(if any)".

141. Section 32 amended (Interpretation of Part 4)

(1) Section 32—

Renumber the section as section 32(1).

(2) Section 32(1), Chinese text, definition of ***關聯者***, paragraph (d)—

Repeal

"控股公司"

Substitute

"控權公司".

(3) Section 32(1)—

Repeal the definitions of *medium-term lease*, *long lease* and *short lease*.

(4) Section 32(1)—

Add in alphabetical order

"***lease*** (租約) includes an agreement for a lease;".

(5) After section 32(1)—

Add

"(2) In this Part, a lease is a long lease if—

(a) in relation to land in Hong Kong—

(i) the portion of the term for which the lease was granted remaining unexpired at the end of the financial year is not less than 50 years; or

(ii) in the case of a renewable Government lease, the portion of the term for which the lease was granted remaining unexpired at the end of the financial year, when added to the term for which the lessee is entitled to renew the lease, amounts to a period of not less than 50 years from the end of that financial year; or

(b) in relation to land outside Hong Kong, the portion of the term for which the lease was granted remaining unexpired at the end of the financial year is not less than 50 years.

(3) In this Part, a lease is a medium lease if—

(a) in relation to land in Hong Kong—

(i) the portion of the term for which the lease was granted remaining unexpired at the end of the financial year is less than 50 years but not less than 10 years; or

(ii) in the case of a renewable Government lease, the portion of the term for which the lease was granted remaining unexpired at the end of the financial year, when added to the term for which the lessee is entitled to renew the lease, amounts to a period of less than 50 years but not less than 10 years from the end of that financial year; or

(b) in relation to land outside Hong Kong, the portion of the term for which the lease was granted remaining unexpired at the end of the financial year is less than 50 years but not less than 10 years.

(4) In this Part, a lease is a short lease if it is neither a long lease nor a medium lease.".

142. Section 45 amended (Capital structure and adequacy)

Section 45(3)(a)(iii), after "share premium account"—

Add

"(if any)".

143. Section 104 amended (Consolidated group level disclosures: general)

Section 104(b), Chinese text—

Repeal

"控股公司"

Substitute

"控權公司".

Part 42

Amendment to Legal Practitioners Ordinance (Cap. 159)

144. Section 2 amended (Interpretation)

Section 2(1), definition of ***Society of Notaries***, after "Companies Ordinance (Cap. 32)"—

Add

"as in force at the time".

Part 43

Amendments to the Solicitors' Practice Rules

(Cap. 159 sub. leg. H)

145. Rule 1A amended (Interpretation)

(1) Rule 1A, definition of ***associated parties***—

Repeal

""holding company" (控股公司) and "subsidiary" (附屬公司) have the same meanings as in the Companies Ordinance (Cap. 32);"

Substitute

"***holding company*** (控權公司) and ***subsidiary*** (附屬公司) have the same meanings as in the Companies Ordinance (of 2012);".

(2) Rule 1A, Chinese text, definition of ***有聯繫各方***, paragraphs (a) and (b)—

Repeal

"控股公司"

Substitute

"控權公司".

Part 44

Amendments to Trainee Solicitors Rules (Cap. 159 sub. leg. J)

146. Rule 2 amended (Interpretation)

(1) Rule 2, definition of ***company***, paragraph (a)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

(2) Rule 2, definition of ***company***, paragraph (b)—

Repeal

"company registered under Part XI of that Ordinance"

Substitute

"registered non-Hong Kong company as defined by section 2(1) of the Companies Ordinance (of 2012)".

Part 45

Amendment to Solicitors (Professional Indemnity) Rules (Cap. 159 sub. leg. M)

147. Schedule 3 amended (Exclusions and conditions)

Schedule 3, paragraph 1(2)(c)(vi)—

Repeal

"section 2(4) of the Companies Ordinance (Cap. 32)"

Substitute

"section 14 of the Companies Ordinance (of 2012)".

Part 46

Amendments to Solicitors (Group Practice) Rules (Cap. 159 sub. leg. X)

148. Section 7 amended (Group practice management company)

(1) Section 7(1)—

Repeal

"Companies Ordinance (Cap. 32)"

Substitute

"Companies Ordinance (of 2012), or under the Companies Ordinance (Cap. 32) as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012)".

(2) Section 7(2)—

Repeal

"memorandum"

Substitute

"articles of association".

149. Section 8 amended (Reporting to Society)

Section 8(1)(c)(i)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012) or the Companies Ordinance (Cap. 32) as in force at the time of the registration (as the case may be)".

Part 47

Amendments to Money Lenders Ordinance (Cap. 163)

150. Section 2 amended (Interpretation)

(1) Section 2(1), definition of ***company***, paragraph (a)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

(2) Section 2(1), definition of ***company***, after paragraph (a)—

Add

"(ab) incorporated under a former Companies Ordinance as defined by section 2(1) of the Companies Ordinance (of 2012);".

(3) Section 2(1), definition of ***subsidiary***—

Repeal

"means subsidiary within the meaning of section 2 of the Companies Ordinance (Cap. 32)"

Substitute

"has the meaning given by section 14 of the Companies Ordinance (of 2012) for the purposes of that Ordinance".

151. Section 17 amended (Duty to notify changes of particulars)

Section 17(1)(b)(iii)—

Repeal

"therein held by any person whereby the nominal value of any such shares held by that person exceeds such proportion of the nominal value of the share capital thereof or of the issued shares of that class, as the case may be, as may be prescribed"

Substitute

"held by any person whereby the number of those shares exceeds the prescribed proportion of the number of issued shares or of the number of shares of that class(as the case may be)".

152. Schedule 1 amended

(1) Schedule 1, Part 2, paragraph 2—

Repeal subparagraph (a)

Substitute

"(a) registered, or to be registered, under the Companies Ordinance (of 2012);

(ab) registered, or to be registered, under a provision of the Companies Ordinance (Cap. 32) as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012), having a continuing effect under Schedule 10 to the Companies Ordinance (of 2012);

(ac) registered under a former Companies Ordinance as defined by section 2(1) of the Companies Ordinance (of 2012); or".

(2) Schedule 1, Part 2, paragraph 2(b)—

Repeal

everything after "section 2(1)"

Substitute

"—

(i) where the mortgage, charge, lien or encumbrance was created before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012), be able to be registered under a former Companies Ordinance as defined by section 2(1) of the Companies Ordinance (of 2012) if the company were incorporated under that former Companies Ordinance; or

(ii) where the mortgage, charge, lien or encumbrance is created on or after that commencement date, be able to be registered under the Companies Ordinance (of 2012) if the company were incorporated under that Ordinance.".

(3) Schedule 1, Chinese text, Part 2, paragraph 10(a)—

Repeal

"控股公司" (wherever appearing)

Substitute

"控權公司".

(4) Schedule 1, Part 2, paragraph 10(b)—

Repeal

"Section 2(7) and (8) of the Companies Ordinance (Cap. 32)"

Substitute

"Sections 12, 13 and 14 of the Companies Ordinance (of 2012)".

(5) Schedule 1, Part 2, paragraph 13—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

Part 48

Amendments to Money Lenders Regulations (Cap. 163 sub. leg. A)

153. Regulation 10 amended (Duty to notify Registrar of changes in share holdings)

(1) Regulation 10(a)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

(2) Regulation 10(b)—

Repeal

"nominal value of any such voting shares held by that person exceeds 10 per centum of the nominal value of the issued voting share capital"

Substitute

"number of any such voting shares held by that person exceeds 10% of the total number of issued voting shares".

154. Schedule 2 amended (Licensing and Exemption Forms)

(1) Schedule 2, Form 2, Note 7(a)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

(2) Schedule 2, Form 2, after Note 7(a)—

Add

"(ab) incorporated under a former Companies Ordinance as defined by section 2(1) of the Companies Ordinance (of 2012);".

(3) Schedule 2, Form 3, question 1(d)—

Repeal

"the date of compliance with Part XI of the Companies Ordinance (Cap. 32)"

Substitute

"as defined by section 2(1) of the Companies Ordinance (of 2012), the date of the certificate of registration issued in respect of the company under—

(i) Part XI of the Companies Ordinance (Cap. 32) as in force at the time of the issue; or

(ii) section 765 of the Companies Ordinance (of 2012)".

(4) Schedule 2, Form 3, question 7(a), Table, entry relating to particulars of shareholdings, after "nominal value"—

Add

"(if any)".

(5) Schedule 2, Form 3, Note 7(a)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

(6) Schedule 2, Form 3, after Note 7(a)—

Add

"(ab) incorporated under a former Companies Ordinance as defined by section 2(1) of the Companies Ordinance (of 2012);".

(7) Schedule 2, Chinese text, Form 5, question 1(a)—

Repeal

"控股公司"

Substitute

"控權公司".

(8) Schedule 2, Form 5, Note 4(a)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

(9) Schedule 2, Form 5, after Note 4 (a)—

Add

"(ab) incorporated under a former Companies Ordinance as defined by section 2(1) of the Companies Ordinance (of 2012);".

(10) Schedule 2, Form 7, question 3(b), Table, entry relating to particulars of shareholdings, after "nominal value"—

Add

"(if any)".

(11) Schedule 2, Form 7, Note 6(a)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

(12) Schedule 2, Form 7, after Note 6(a)—

Add

"(ab) incorporated under a former Companies Ordinance as defined by section 2(1) of the Companies Ordinance (of 2012);".

(13) Schedule 2, Form 9, Note 3(a)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

(14) Schedule 2, Form 9, after Note 3(a)—

Add

"(ab) incorporated under a former Companies Ordinance as defined by section 2(1) of the Companies Ordinance (of 2012);".

(15) Schedule 2, Form 11, Note 5(a)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

(16) Schedule 2, Form 11, after Note 5(a)—

Add

"(ab) incorporated under a former Companies Ordinance as defined by section 2(1) of the Companies Ordinance (of 2012);".

Part 49

Amendment to Prevention of Bribery Ordinance (Cap. 201)

155. Section 33A amended (Power of court to prohibit employment of convicted person)

Section 33A(1)(a)—

Repeal

"within the meaning of section 2 of the Companies Ordinance (Cap. 32)"

Substitute

"as defined by section 14 of the Companies Ordinance (of 2012) for the purposes of that Ordinance".

Part 50

Amendments to Theft Ordinance (Cap. 210)

156. Section 18 amended (Obtaining pecuniary advantage by deception)

Section 18(3), definition of ***subsidiary***—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

157. Section 18D amended (Procuring entry in certain records by deception)

Section 18D(2), definition of ***subsidiary***—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

Part 51

Amendment to Eastern Harbour Crossing Ordinance (Cap. 215)

158. Section 11 amended (Directors of the Road Company)

Section 11(2)—

Repeal

"(Cap. 32) or any other law, the memorandum or articles"

Substitute

"(of 2012), the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) or any other law, the memorandum of association (if any) or articles of association".

Part 52

Amendments to Travel Agents Ordinance (Cap. 218)

159. Section 32A amended (Interpretation)

Section 32A(1), definition of ***Travel Industry Council***, after "Companies Ordinance (Cap. 32)"—

Add

"as in force at the time of the registration".

160. Section 32K amended (Submission of estimates)

Section 32K(3)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

161. Section 32R amended (Transfer of assets and liabilities)

(1) Section 32R(6), after "Companies Ordinance (Cap. 32)"—

Add

"as in force at the time of that commencement".

(2) Section 32R(7)(a)—

Repeal

"section 291A(2) of the Companies Ordinance (Cap. 32) shall"

Substitute

"section 753(1) of the Companies Ordinance (of 2012) does".

(3) Section 32R(7)(b)—

Repeal

"section 291B of that Ordinance shall apply"

Substitute

"section 745 of the Companies Ordinance (of 2012) applies".

Part 53

Amendment to Travel Industry Compensation Fund (Procedure for Ex gratia Payments) Rules (Cap. 218 sub. leg. F)

162. Section 2 amended (Interpretation)

Section 2, definition of ***proof of debt***—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

Part 54

Amendment to Conveyancing and Property Ordinance (Cap. 219)

163. Section 4 amended (Legal estates to be disposed of etc. by deed)

Section 4(2)(b)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

Part 55

Amendments to Public Bus Services Ordinance (Cap. 230)

164. Section 5 amended (Grant of franchises)

Section 5(1)—

Repeal

"Companies Ordinance (Cap. 32)"

Substitute

"Companies Ordinance (of 2012), or under the Companies Ordinance (Cap. 32) as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012),".

165. Section 9 amended (Chief Executive may appoint additional directors)

Section 9(1)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012), the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32)".

166. Section 10 amended (Grantee not to alter memorandum or articles without Chief Executive's approval)

Section 10, after "memorandum"—

Add

"of association (if any)".

Part 56

Amendment to Police Force Ordinance (Cap. 232)

167. Section 67 amended (Power of Commissioner to require information from banks and deposit-taking companies)

Section 67(3)(b)—

Repeal

"Part XI of the Companies Ordinance (Cap. 32)"

Substitute

"Part 16 of the Companies Ordinance (of 2012)".

Part 57

Amendment to Chit-Fund Businesses (Prohibition) Ordinance (Cap. 262)

168. Section 6 amended (Prohibition on registration of chit-fund companies)

Section 6—

Repeal

"shall not be registered under the Companies Ordinance (Cap. 32) after the commencement of this Ordinance"

Substitute

"must not be registered under the Companies Ordinance (of 2012)".

Part 58

Amendments to Education Ordinance (Cap. 279)

169. Section 3 amended (Interpretation)

Section 3(2)—

Repeal

"(Cap. 32) for the purposes of operating a school as stated in its memorandum of association"

Substitute

"(of 2012), or under the Companies Ordinance (Cap. 32) as in force at the time of the incorporation, for the purposes of operating a school as stated in its articles of association".

170. Section 40BQ amended (Dissolution of school management company)

(1) Section 40BQ(2)—

Repeal

"section 291A(1) of the Companies Ordinance (Cap. 32)"

Substitute

"section 736 of the Companies Ordinance (of 2012)".

(2) Section 40BQ(4)(a)—

Repeal

"memorandum and".

(3) Section 40BQ(5)—

Repeal

"Sections 291A(2) and 292 of the Companies Ordinance (Cap. 32)"

Substitute

"Sections 740, 746 and 753(1) of the Companies Ordinance (of 2012)".

171. Section 40CB amended (An aided IMC school may become a DSS school without IMC)

Section 40CB(2)(b)—

Repeal

"(Cap. 32) for the purposes of operating the school as stated in its memorandum of association"

Substitute

"(of 2012), or under the Companies Ordinance (Cap. 32) as in force at the time of the incorporation, for the purposes of operating the school as stated in its articles of association".

172. Schedule 2 amended

Schedule 2, section 2(7)(b)(i)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012) or under the Companies Ordinance (Cap. 32) as in force at the time of the issue".

Part 59

Amendments to Employees' Compensation Ordinance (Cap. 282)

173. Section 38 amended (Interpretation)

(1) Section 38, definition of ***company***—

Repeal

"assigned to it by section 2 of the Companies Ordinance (Cap. 32)"

Substitute

"given by section 2(1) of the Companies Ordinance (of 2012)".

(2) Section 38, English text, definition of ***policy of insurance issued for the purposes of this Part***—

Repeal the full stop

Substitute a semicolon.

(3) Section 38—

Repeal the definition of *holding company*, *group of companies* and *subsidiary*.

(4) Section 38—

Add in alphabetical order

"***group of companies*** (公司集團) has the meaning given by section 2(1) of the Companies

Ordinance (of 2012);

holding company (控權公司) has the meaning given by section 12 of the Companies Ordinance (of 2012) for the purposes of that Ordinance;

subsidiary (附屬公司) has the meaning given by section 14 of the Companies Ordinance (of 2012) for the purposes of that Ordinance.".

174. Section 40 (Compulsory insurance against employer's liability)

Section 40(1E)(c), Chinese text—

Repeal

"控股公司"

Substitute

"控權公司".

175. Section 44B (Holding company responsible for liability of subsidiary in certain cases)

(1) Section 44B, Chinese text, heading—

Repeal

"**控股公司**"

Substitute

"**控權公司**".

(2) Section 44B(1), (2) and (3)(a) and (b), Chinese text—

Repeal

"控股公司" (wherever appearing)

Substitute

"控權公司".

Part 60

Amendments to Employees' Compensation Regulations (Cap. 282 sub. leg. A)

176. Schedule amended

(1) The Schedule, Chinese text, Form 2, section C—

Repeal

"*控股公司*"

Substitute

"*控權公司*".

(2) The Schedule, Chinese text, Form 2, section C—

Repeal

"控股公司"

Substitute

"控權公司".

(3) The Schedule, Form 2, Explanatory Notes, Note 3(b)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

(4) The Schedule, Chinese text, Form 2, Explanatory Notes, Note 3—

Repeal

"控股公司" (wherever appearing)

Substitute

"控權公司".

(5) The Schedule, Chinese text, Form 2A, section C—

Repeal

"*控股公司*"

Substitute

"*控權公司*".

(6) The Schedule, Chinese text, Form 2A, section C—

Repeal

"控股公司"

Substitute

"控權公司".

(7) The Schedule, Form 2A, Explanatory Notes, Note 3(b)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

(8) The Schedule, Chinese text, Form 2A, Explanatory Notes, Note 3—

Repeal

"控股公司" (wherever appearing)

Substitute

"控權公司".

Part 61

Amendments to Mining (General) Regulations (Cap. 285 sub. leg. A)

177. First Schedule amended (Forms)

(1) First Schedule, Form II, item 12, after "memorandum"—

Add

"of association (if any)".

(2) First Schedule, Form II, item 12(c)—

Repeal

"nominal capital subscribed"

Substitute

"issued capital".

Part 62

Amendment to Marine Fish (Marketing) By-laws (Cap. 291 sub. leg. B)

178. By-law 2 amended (Interpretation)

By-law 2, definition of ***corporation***—

Repeal

"(Cap. 32)"

Substitute

"(of 2012) or under a former Companies Ordinance as defined by section 2(1) of the Companies Ordinance (of 2012)".

Part 63

Amendment to Corporate Bodies Contracts Ordinance (Cap. 293)

179. Section 3 amended (Exclusion of companies under Companies Ordinance)

Section 3—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

Part 64

Amendments to Hong Kong Arts Centre Ordinance (Cap. 304)

180. Section 26 amended (Particulars to be delivered to the Registrar of Companies)

(1) Section 26(4)—

Repeal

"prescribed under section 304(1A) of the Companies Ordinance (Cap. 32)"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012)".

(2) Section 26(5)—

Repeal

"specified in the Eighth Schedule to the Companies Ordinance (Cap. 32)"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012)".

Part 65

Amendments to Business Registration Ordinance (Cap. 310)

181. Section 2 amended (Interpretation)

(1) Section 2(1), definition of ***company registration application***—

Repeal

"section 333 of the Companies Ordinance (Cap. 32)"

Substitute

"section 764 of the Companies Ordinance (of 2012)".

(2) Section 2(1)—

Repeal the definition of *incorporation application*

Substitute

"***incorporation submission*** (成立法團遞呈) means a submission made for the purpose of forming a company under section 62 of the Companies Ordinance (of 2012);".

(3) Section 2(1), definition of ***incorporation form***—

Repeal

"has the meaning given by section 14A(1) of the Companies Ordinance (Cap. 32)"

Substitute

"means the incorporation form referred to in section 62(1)(b)(i) of the Companies Ordinance (of

2012)".

(4) Section 2(1), definition of ***non-Hong Kong company registration form***—

Repeal

everything after "means"

Substitute

"a company registration application in the specified form referred to in section 764(4) of the Companies Ordinance (of 2012);".

(5) Section 2(1), definition of ***place of business***, paragraph (a)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012), or under a former Companies Ordinance as defined by section 2(1) of the Companies Ordinance (of 2012),".

(6) Section 2(1), definition of ***place of business***—

Repeal paragraph (b)

Substitute

"(b) a registered non-Hong Kong company as defined by section 2(1) of the Companies Ordinance (of 2012), the address of any person whose name has been delivered to the Registrar for registration under Part XI of the Companies Ordinance (Cap. 32) as in force at the time of the delivery or under Part 16 of the Companies Ordinance (of 2012), as the case may be;".

(7) Section 2(1), definition of ***Registrar***—

Repeal

"section 303(2) of the Companies Ordinance (Cap. 32)"

Substitute

"section 20(1) of the Companies Ordinance (of 2012)".

(8) Section 2(1A)—

Repeal

"For the purposes of this Ordinance a company which is—

(a) incorporated in Hong Kong under the Companies Ordinance (Cap. 32) or to which Part XI of the Companies Ordinance (Cap. 32) applies; and

(b) not otherwise liable to be registered under this Ordinance,"

Substitute

"For the purposes of this Ordinance—

(a) a company—

(i) that is incorporated in Hong Kong under the Companies Ordinance (of 2012) or was incorporated under a former Companies Ordinance as defined by section 2(1) of the Companies Ordinance (of 2012); and

(ii) that is not otherwise liable to be registered under this Ordinance; or

(b) a non-Hong Kong company as defined by section 2(1) of the Companies Ordinance (of 2012) that is not otherwise liable to be registered under this Ordinance,".

(9) Section 2(1C)(a)—

Repeal

"application"

Substitute

"submission".

182. Section 4 amended (Official secrecy)

Section 4(3B)—

Repeal

"incorporation application"

Substitute

"incorporation submission".

183. Section 5A amended (Simultaneous business registration applications of companies incorporated under Companies Ordinance)

(1) Section 5A(1)—

Repeal

"application is made, the applicant"

Substitute

"submission is made, the person who made the submission".

(2) Section 5A(1)(b)—

Repeal

"applicant"

Substitute

"person".

(3) Section 5A(2)—

Repeal

"applicant complies"

Substitute

"person complies".

(4) Section 5A(2)(b)—

Repeal

"applicant has"

Substitute

"person has".

184. Section 7A amended (Refund of prescribed business registration fees, prescribed branch registration fees or levies)

(1) Section 7A(3)(a)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

(2) After section 7A(3)(a)—

Add

"(ab) a company incorporated under a former Companies Ordinance as defined by section 2(1) of the Companies Ordinance (of 2012);".

(3) Section 7A(3)—

Repeal paragraph (b)

Substitute

"(b) a non-Hong Kong company as defined by section 2(1) of the Companies Ordinance (of 2012);

(c) a company incorporated outside Hong Kong that has established a place of business in Hong Kong, but has ceased to have any such place of business before the repeal of Part XI of the Companies Ordinance (Cap. 32) as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012).".

(4) Section 7A(4)—

Repeal

"application"

Substitute

"submission".

(5) Section 7A(4)—

Repeal

"applicant"

Substitute

"person who made the submission".

185. Section 8 amended (Information to be furnished)

(1) Section 8(1A)—

Repeal

"incorporation application"

Substitute

"incorporation submission".

(2) Section 8(1B)(b)—

Repeal

"under Part XI of the Companies Ordinance (Cap. 32)"

Substitute

"under Part 16 of the Companies Ordinance (of 2012)".

(3) Section 8(2B)—

Repeal paragraphs (a) and (b)

Substitute

"(a) delivers a notice of a change of company name under section 102(2) of the Companies Ordinance (of 2012) or delivers a notice of a change of address of its registered office under section 649(3) of that Ordinance;

(b) delivers under section 766 of that Ordinance a return containing particulars required by that section;

(c) delivers a return under section 779(1) of that Ordinance for a change of its authorized representative or a change of the name and address of its authorized representative; or

(d) delivers a return under section 779(1) of that Ordinance for a change of the address of its principal place of business in Hong Kong,".

(4) Section 8(2C)—

Repeal

"section 22AA of the Companies Ordinance (Cap. 32)"

Substitute

"section 105 of the Companies Ordinance (of 2012)".

186. Section 9 amended (Exemption from payments of fees for small businesses)

Section 9(6)—

Repeal

everything after "apply to"

Substitute

"—

(a) any company which is incorporated in Hong Kong under—

(i) the Companies Ordinance (of 2012); or

(ii) a former Companies Ordinance as defined by section 2(1) of the Companies Ordinance (of 2012);

(b) any non-Hong Kong company as defined by section 2(1) of the Companies Ordinance (of 2012); or

(c) any company incorporated outside Hong Kong that has established a place of business in Hong Kong, but has ceased to have any such place of business before the repeal of Part XI of the Companies Ordinance (Cap. 32) as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012).".

187. Section 16 amended (Exemptions)

Section 16(1)(c), proviso—

Repeal

everything after "apply to"

Substitute

"—

(a) any company which is incorporated in Hong Kong under—

(i) the Companies Ordinance (of 2012); or

(ii) a former Companies Ordinance as defined by section 2(1) of the Companies Ordinance (of 2012);

(b) any non-Hong Kong company as defined by section 2(1) of the Companies Ordinance (of 2012); or

(c) any company incorporated outside Hong Kong that has established a place of business in Hong Kong, but has ceased to have any such place of business before the repeal of Part XI of the Companies Ordinance (Cap. 32) as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012);".

188. Schedule 1 amended

(1) Schedule 1, section 2(a)(i)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012) or under a former Companies Ordinance as defined by section 2(1) of the Companies Ordinance (of 2012)".

(2) Schedule 1, section 2(b)(i)—

Repeal

"application"

Substitute

"submission".

189. Schedule 2 amended

(1) Schedule 2, section 3(a)(i)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012) or under a former Companies Ordinance as defined by section 2(1) of the Companies Ordinance (of 2012)".

(2) Schedule 2, section 3(b)(i)—

Repeal

"application"

Substitute

"submission".

Part 66

Amendments to Business Registration Regulations (Cap. 310 sub. leg. A)

190. Regulation 3A amended (Business particulars in relation to simultaneous business registration applications)

(1) Regulation 3A(3)(a)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

(2) Regulation 3A(3)(b)(vi)—

Repeal

"section 333(2)(e) of the Companies Ordinance (Cap. 32)"

Substitute

"section 764(4)(c) of the Companies Ordinance (of 2012)".

(3) Regulation 3A(3)(b)(vii)—

Repeal

"Part XI of the Companies Ordinance (Cap. 32)"

Substitute

"Part 16 of the Companies Ordinance (of 2012)".

191. Regulation 4 amended (The register)

Regulation 4(1A)—

Repeal

"application, the Commissioner must assign an identifying number in relation to the application"

Substitute

"submission, the Commissioner must assign an identifying number in relation to the submission".

192. Regulation 9 amended (Forms)

(1) Regulation 9, Form 1(b), section A, Part A, item 2—

Repeal

"one to which Part XI of the Companies Ordinance (Cap. 32) applies"

Substitute

"a non-Hong Kong company as defined by section 2(1) of the Companies Ordinance (of 2012)".

(2) Regulation 9, Form 1(b), Section A, Part A, item 2(d)—

Repeal

"registration under Part XI of the Companies Ordinance (Cap. 32)"

Substitute

"the certificate of registration issued under section 765 of the Companies Ordinance (of 2012)".

(3) Regulation 9, Form 1(b), Section A, Part A, item 3—

Repeal

"one to which Part XI of the Companies Ordinance (Cap. 32) does not apply"

Substitute

"not a non-Hong Kong company as defined by section 2(1) of the Companies Ordinance (of 2012)".

(4) Regulation 9, Form 4, paragraph (a)—

Repeal

"incorporation application"

Substitute

"incorporation submission".

Part 67

Amendment to Census and Statistics (Quarterly Survey of Service Industries) Order (Cap. 316 sub. leg. M)

193. Section 1 amended (Interpretation)

Section 1, Chinese text, definition of ***財務***—

Repeal

"控股公司"

Substitute

"控權公司".

Part 68

Amendment to Federation of Hong Kong Industries Ordinance (Cap. 321)

194. Section 2 amended (Interpretation)

Section 2, definition of ***corporation***—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

Part 69

Amendments to Trade Unions Ordinance (Cap. 332)

195. Section 67 amended (Provisions of certain Ordinances not to apply to trade unions or trade union federations)

(1) Section 67—

Renumber the section as section 67(1).

(2) Section 67(1)—

Repeal

everything after "the following"

Substitute

"Ordinances do not apply to a trade union or a trade union federation—

(a) the Companies Ordinance (of 2012);

(b) the Co-operative Societies Ordinance (Cap. 33);

(c) the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32).".

(3) After section 67(1)—

Add

"(2) The registration of a trade union or a trade union federation under any of the following Ordinances is void and of no effect—

(a) the Companies Ordinance (of 2012);

(b) the Co-operative Societies Ordinance (Cap. 33).".

196. Section 68 amended (Result of registration)

(1) Section 68(1)—

Repeal

"Companies Ordinance (Cap. 32) or the Co-operative Societies Ordinance (Cap. 33) and"

Substitute

"relevant Ordinance and".

(2) Section 68(1)—

Repeal

"Companies Ordinance (Cap. 32) or the Co-operative Societies Ordinance (Cap. 33), as the case may be," (wherever appearing)

Substitute

"relevant Ordinance".

(3) After section 68(2)—

Add

"(3) For the purposes of this section—

relevant Ordinance (《有關條例》) means—

(a) the Companies Ordinance (Cap. 32) as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012);

(b) the Co-operative Societies Ordinance (Cap. 33); or

(c) the Companies Ordinance (of 2012).".

Part 70

Amendment to District Court Ordinance (Cap. 336)

197. Section 68B amended (Sale of property in execution of judgment)

Section 68B(1)(a)—

Repeal

"section 29 of the Companies Ordinance (Cap. 32)"

Substitute

"section 10 of the Companies Ordinance (of 2012)".

Part 71

Amendments to Building Management Ordinance (Cap. 344)

198. Section 33 amended (Winding up of corporations)

Section 33(1) and (2)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

199. Section 34A amended (Winding-up petitions and orders to be noted in register and records)

Section 34A(3)—

Repeal

"subsection no action or proceeding under the Companies Ordinance"

Substitute

"subsection, no action or proceeding under the Companies (Winding Up and Miscellaneous Provisions) Ordinance".

Part 72

Amendments to Hang Lung Bank (Acquisition) Ordinance (Cap. 345)

200. Section 2 amended (Interpretation)

Section 2, definition of ***subsidiary***—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

201. Section 9 amended (Power to make regulations)

Section 9(2)—

Repeal

"(Cap. 32), the Banking Ordinance (Cap. 155) and the memorandum and"

Substitute

"(of 2012), Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32), the Banking Ordinance (Cap. 155) and the".

Part 73

Amendment to Trading with the Enemy Ordinance (Cap. 346)

202. Section 2 amended (Interpretation)

Section 2(1), definition of ***company***—

Repeal

"section 2 of the Companies Ordinance (Cap. 32)"

Substitute

"section 2(1) of the Companies Ordinance (of 2012)".

Part 74

Amendment to Exchanges (Special Levy) Rules (Cap. 351 sub. leg. A)

203. Rule 9 amended (Audit report)

Rule 9(1)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

Part 75

Amendment to Supplementary Medical Professions Ordinance (Cap. 359)

204. Section 20 amended (Companies may carry on professions by way of trade or business)

Section 20(2)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012) or under the Companies Ordinance (Cap. 32) as in force at the time of the registration".

Part 76

Amendment to Radiographers (Registration and Disciplinary Procedure) Regulation (Cap. 359 sub. leg. H)

205. Section 17 amended (Exemptions for companies)

Section 17—

Repeal

"(Cap. 32)"

Substitute

"(of 2012) or under the Companies Ordinance (Cap. 32) as in force at the time of the registration".

Part 77

Amendment to Employees Compensation Assistance Ordinance (Cap. 365)

206. Section 2 amended (Interpretation)

Section 2(1), Chinese text, definition of ***僱主***—

Repeal

"控股公司"

Substitute

"控權公司".

Part 78

Amendments to Overseas Trust Bank (Acquisition) Ordinance (Cap. 379)

207. Section 2 amended (Interpretation)

Section 2, definition of ***subsidiary***—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

208. Section 10 amended (Power to make regulations)

Section 10(2)—

Repeal

"(Cap. 32), the Banking Ordinance (Cap. 155) and the memorandum and"

Substitute

"(of 2012), the Companies (Winding Up and Miscellaneous Provision) Ordinance (Cap. 32), the Banking Ordinance (Cap. 155) and the".

Part 79

Amendments to Protection of Wages on Insolvency Ordinance (Cap. 380)

209. Section 2 amended (Interpretation)

(1) Section 2, definition of ***applicant***—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(2) Section 2, definition of ***company***—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(3) Section 2, definition of ***pay for untaken annual leave***, paragraph (a)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(4) Section 2, definition of ***pay for untaken statutory holidays***, paragraph (a)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(5) Section 2, definition of ***severance payment***—

Repeal

"Companies Ordinance" (wherever appearing)

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(6) Section 2, definition of ***wages***—

Repeal

"Companies Ordinance" (wherever appearing)

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(7) Section 2, definition of ***wages in lieu of notice***—

Repeal

"Companies Ordinance" (wherever appearing)

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(8) Section 2, definition of ***winding-up petition***—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

210. Section 24 amended (Subrogation)

Section 24(2)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

211. Section 29 amended (Transitional)

Section 29(1)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

Part 80

Amendments to Ocean Park Corporation

Ordinance (Cap. 388)

212. Section 2 amended (Interpretation)

Section 2, definition of ***company***—

Repeal

everything after "incorporated"

Substitute

", and registered by the name Ocean Park Limited, under the Companies Ordinance (Cap. 32) as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012);".

213. Section 16 amended (Dissolution of the company)

(1) Section 16(1), after "Companies Ordinance (Cap. 32)"—

Add

"as in force at the time of that commencement".

(2) Section 16(2)(a)—

Repeal

"section 291A(2) of the Companies Ordinance (Cap. 32)"

Substitute

"section 753(1) of the Companies Ordinance (of 2012)".

(3) Section 16(2)(b)—

Repeal

"section 291B of the Companies Ordinance (Cap. 32)"

Substitute

"section 745 of the Companies Ordinance (of

2012)".

Part 81

Amendments to Control of Obscene and Indecent Articles Ordinance (Cap. 390)

214. Section 2 amended (Interpretation)

(1) Section 2(1), definition of ***place of business***, paragraph (a)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012) or under a former Companies Ordinance as defined by section 2(1) of the Companies Ordinance (of 2012)".

(2) Section 2(1), definition of ***place of business***, paragraph (b)—

Repeal

"company to which Part XI of the Companies Ordinance (Cap. 32) applies, the address of any person whose name has been delivered to the Registrar of Companies for registration under that Part"

Substitute

"registered non-Hong Kong company as defined by section 2(1) of the Companies Ordinance (of 2012), the address of any person whose name has been delivered to the Registrar of Companies for registration under Part XI of the Companies Ordinance (Cap. 32) as in force at the time of the delivery or under Part 16 of the Companies Ordinance (of 2012)".

Part 82

Amendment to Broadcasting (Miscellaneous Provisions) Ordinance (Cap. 391)

215. Section 22 amended (Investigation of licensee's business)

Section 22(8)—

Repeal

"within the meaning of section 2 of the Companies Ordinance (Cap. 32)"

Substitute

"as defined by section 14 of the Companies Ordinance (of 2012) for the purposes of that Ordinance".

Part 83

Amendment to Tate's Cairn Tunnel Ordinance (Cap. 393)

216. Section 8 amended (Directors and paid up share capital of the Company)

Section 8(2)—

Repeal

"(Cap. 32) or any other law, the memorandum or articles"

Substitute

"(of 2012), Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) or any other law, the memorandum of association (if any) or articles of association".

Part 84

Amendment to The Ombudsman Ordinance (Cap. 397)

217. Schedule 2 amended (Actions not subject to investigation)

Schedule 2, paragraph 9—

Repeal

"Repurchases"

Substitute

"Buy-backs".

Part 85

Amendments to Drug Trafficking (Recovery of Proceeds) Ordinance (Cap. 405)

218. Section 7 amended (Definition of principal terms used)

Section 7(8)(b)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

219. Section 17 amended (Winding up of company holding realisable property)

(1) Section 17(3)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012) or the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32)".

(2) Section 17(5), definition of ***company***—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

220. Section 18 amended (Insolvency officers dealing with property subject to restraint order)

(1) Section 18(1)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(2) Section 18(3)(b)(ii)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

Part 86

Amendments to Drug Trafficking (Recovery of Proceeds) (Designated Countries and Territories) Order (Cap. 405 sub. leg. A)

221. Schedule 2 amended (Drug Trafficking (Recovery of Proceeds) Ordinance as modified)

(1) Schedule 2, section 17(3)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012) or the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32)".

(2) Schedule 2, section 17(5), definition of ***company***—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(3) Schedule 2, section 18(1)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(4) Schedule 2, section 18(3)(b)(ii)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

Part 87

Amendment to Employees' Compensation Insurance Levies Ordinance (Cap. 411)

222. Section 16 amended (Protection of levy in the hands of the insurer)

Section 16—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

Part 88

Amendment to Merchant Shipping (Prevention and Control of Pollution) Ordinance (Cap. 413)

223. Section 9 amended (Service of directions under section 6)

Section 9(1)—

Repeal

"section 338 or 356 of the Companies Ordinance (Cap. 32)"

Substitute

"section 791 or 815 of the Companies Ordinance (of 2012)".

Part 89

Amendment to Merchant Shipping (Liability and Compensation for Oil Pollution) Ordinance (Cap. 414)

224. Section 23 amended (Contributions to the Fund)

Section 23(9), definition of ***group of companies***—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

Part 90

Amendments to Merchant Shipping (Registration) Ordinance (Cap. 415)

225. Section 11 amended (Registrable ships)

Section 11(4)(c)—

Repeal

"non-Hong Kong company registered under Part XI of the Companies Ordinance (Cap. 32)"

Substitute

"registered non-Hong Kong company as defined by section 2(1) of the Companies Ordinance (of 2012)".

226. Section 20 amended (Declarations by and on behalf of owners and demise charterers)

Section 20(1)(c) and (2)(b), after "Companies Ordinance (Cap. 32)"—

Add

"as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012) or under Part 16 of the Companies Ordinance (of 2012)".

227. Section 21 amended (Evidence on first registration)

Section 21(1)(b) and (3)(c), after "Companies Ordinance (Cap. 32)"—

Add

"as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012) or under Part 16 of the Companies Ordinance (of 2012)".

228. Section 55 amended (Notice of dissolution, etc. of body corporate owner or charterer)

(1) Section 55(1)(b)(ii)—

Repeal

"non-Hong Kong company registered under Part XI of the Companies Ordinance (Cap. 32)"

Substitute

"registered non-Hong Kong company as defined by section 2(1) of the Companies Ordinance (of 2012)".

(2) Section 55(1)—

Repeal

"registered under Part XI of the Companies Ordinance (Cap. 32)"

Substitute

"a registered non-Hong Kong company as defined by section 2(1) of the Companies Ordinance (of 2012)".

Part 91

Amendments to Hong Kong Academy of Medicine Ordinance (Cap. 419)

229. Section 2 amended (Interpretation)

Section 2, definition of ***college***, paragraph (b)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

230. Section 6 amended (Recognition of Academy Colleges and Faculties)

Section 6(3)(b)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

231. Section 10 amended (The Council during the interim period)

Section 10(4)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

Part 92

Amendment to Toys and Children's Products Safety Ordinance (Cap. 424)

232. Section 34 amended (Service of notices)

Section 34(1)(b)(ii)—

Repeal

"(Cap. 32), it is left with, or sent by post to, the person resident in Hong Kong who is authorized to accept service of process and notices on its behalf for the purposes of Part XI"

Substitute

"(of 2012), it is left with, or sent by post to, its authorized representative as defined by section 762(1)".

Part 93

Amendments to Toys and Children's Products Safety Regulation (Cap. 424 sub. leg. B)

233. Section 2 amended (Identification marking for toys)

Section 2(3)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012) or under a former Companies Ordinance as defined by section 2(1) of the Companies Ordinance (of 2012)".

234. Section 3 amended (Identification marking for children's products)

Section 3(3)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012) or under a former Companies Ordinance as defined by section 2(1) of the Companies Ordinance (of 2012)".

Part 94

Amendments to Occupational Retirement Schemes Ordinance (Cap. 426)

235. Section 2 amended (Interpretation)

(1) Section 2(1), definition of ***company***—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

(2) Section 2(1), definition of ***director***, paragraph (c)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

(3) Section 2(1)—

Repeal the definition of *holding company*

Substitute

"***holding company*** (控權公司) means, in relation to an employer—

(a) (where the employer is a company) a company of which the employer is a subsidiary;

(b) (where the employer is not a company but is a body of persons otherwise

incorporated or established in Hong Kong or elsewhere) any other body of persons appearing to the Registrar to be analogous to a company of which the employer would be a subsidiary were the employer a company as defined by section 2(1) of the Companies Ordinance (of 2012);".

(4) Section 2(1), definition of ***subsidiary***, paragraph (a)—

Repeal

", pursuant to section 2 of the Companies Ordinance (Cap. 32), is for the purposes of that Ordinance deemed to be a subsidiary of the employer"

Substitute

"is by virtue of section 14 of the Companies Ordinance (of 2012) a subsidiary of the employer for the purposes of that Ordinance".

(5) Section 2(1), definition of ***subsidiary***, paragraph (b)—

Repeal

"so deemed to be a subsidiary of the employer were the employer a company within the meaning of the Companies Ordinance (Cap. 32)"

Substitute

"by virtue of section 14 of the Companies Ordinance (of 2012) a subsidiary of the employer were the employer a company as defined by section 2(1) of that Ordinance".

(6) Section 2(1), Chinese text, definition of ***有關連人士***, paragraph (d)(ii)(B) and (C) and (iii)—

Repeal

"母公司"

Substitute

"控權公司".

236. Section 67 amended (Special provisions for schemes covering groups of companies)

Section 67(1B) and (1C)(b), Chinese text—

Repeal

"母公司"

Substitute

"控權公司".

237. Section 73 amended (Rules)

Section 73(1)(n)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

238. Section 81 amended (Notices)

Section 81(1)(c)—

Repeal

"to which Part XI of the Companies Ordinance (Cap. 32) applies"

Substitute

"as defined by section 2(1) of the Companies Ordinance (of 2012)".

Part 95

Amendment to Companies Registry Trading

Fund (Cap. 430 sub. leg. B)

239. Schedule 1 amended (Services to be provided by the trading fund)

Schedule 1, section 1—

Repeal

"(Cap. 32)"

Substitute

"(of 2012) and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32)".

Part 96

Amendment to Western Harbour Crossing Ordinance (Cap. 436)

240. Section 8 amended (Directors of the Company)

Section 8(2)—

Repeal

"(Cap. 32) or any other law, the memorandum or articles"

Substitute

"(of 2012), the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) or any other law, the memorandum of association (if any) or articles of association".

Part 97

Amendment to Administrative Appeals Board Ordinance (Cap. 442)

241. Schedule amended

The Schedule—

Add

"71.	Companies Ordinance (of 2012)	(a)	A direction of the Registrar of Companies under section 104(1) to change a company name.
		(b)	A decision of the Registrar of Companies to serve a notice under section 768(1)(b).".

Part 98

Amendments to The Legislative Council Commission Ordinance (Cap. 443)

242. Section 2 amended (Interpretation)

Section 2, definition of ***Company***, after "Companies Ordinance (Cap. 32)"—

Add

"as in force at the time of the incorporation".

243. Section 22 amended (Dissolution of company and transfer of property, etc.)

(1) Section 22(1), after "Companies Ordinance (Cap. 32)"—

Add

"as in force at the time of that commencement".

(2) Section 22(2)(a)—

Repeal

"section 291A(2) of the Companies Ordinance (Cap. 32)"

Substitute

"section 753(1) of the Companies Ordinance (of 2012)".

(3) Section 22(2)(b)—

Repeal

"section 291B of that Ordinance"

Substitute

"section 745 of the Companies Ordinance (of 2012)".

Part 99

Amendment to Amusement Rides (Safety) Ordinance (Cap. 449)

244. Section 2 amended (Interpretation)

Section 2, definition of ***officer***—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

Part 100

Amendment to Minor Employment Claims Adjudication Board Ordinance (Cap. 453)

245. Section 5 amended (Jurisdiction of the Board)

Section 5(3)(b)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

Part 101

Amendments to Organized and Serious Crimes Ordinance (Cap. 455)

246. Section 2 amended (Interpretation)

Section 2(1), definition of ***insolvency officer***, paragraph (b)(ii)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

247. Section 12 amended (Definition of principal terms used)

Section 12(8)(b)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

248. Section 22 amended (Winding up of company holding realisable property)

(1) Section 22(3)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012) or the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32)".

(2) Section 22(5), definition of ***company***—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

249. Section 23 amended (Insolvency officers dealing with property subject to restraint order)

Section 23(1)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

Part 102

Amendment to Consumer Goods Safety Ordinance (Cap. 456)

250. Section 35 amended (Service of notices)

Section 35(1)(b)(ii)—

Repeal

"(Cap. 32), it is left with, or sent by post to, the person resident in Hong Kong who is authorized to accept service of process and notices on its behalf for the purposes of Part XI"

Substitute

"(of 2012), it is left with, or sent by post to, its authorized representative as defined by section 762(1)".

Part 103

Amendments to Security and Guarding Services Ordinance (Cap. 460)

251. Section 2 amended (Interpretation)

(1) Section 2, definition of ***company***, paragraph (a)—

Repeal

"(Cap. 32); or"

Substitute

"(of 2012);".

(2) Section 2, definition of ***company***, after paragraph (a)—

Add

"(ab) incorporated under a former Companies Ordinance as defined by section 2(1) of the Companies Ordinance (of 2012); or".

Part 104

Amendment to Tai Lam Tunnel and Yuen Long Approach Road Ordinance (Cap. 474)

252. Section 8 amended (Directors of the Company)

Section 8(2)—

Repeal

"(Cap. 32) or any other law, the memorandum or articles"

Substitute

"(of 2012), the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) or any other law, the memorandum of association (if any) or articles of association".

Part 105

Amendment to Merchant Shipping (Seafarers) Ordinance (Cap. 478)

253. Section 2 amended (Interpretation)

Section 2(1), definition of ***company***—

Repeal

"(Cap. 32) or to which Part XI of that Ordinance applies"

Substitute

"(of 2012), or a former Companies Ordinance as defined by section 2(1) of the Companies Ordinance (of 2012), or any non-Hong Kong company as defined by section 2(1) of the Companies Ordinance (of 2012)".

Part 106

Amendment to Sex Discrimination Ordinance (Cap. 480)

254. Schedule 7 amended (Transitional provisions)

Schedule 7, section 2(c)—

Repeal

"memorandum"

Substitute

"articles".

Part 107

Amendments to Airport Authority Ordinance (Cap. 483)

255. Section 2 amended (Interpretation)

(1) Section 2(1), definition of ***company***—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

(2) Section 2(1), definition of ***subsidiary***—

Repeal

"deemed to be a subsidiary of the Authority by virtue of section 2 of the Companies Ordinance (Cap. 32)"

Substitute

"a subsidiary of the Authority by virtue of section 14 of the Companies Ordinance (of 2012)".

Part 108

Amendments to Mandatory Provident Fund Schemes Ordinance (Cap. 485)

256. Section 2 amended (Interpretation)

(1) Section 2(1), definition of ***company***, paragraph (a)(i)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

(2) Section 2(1), definition of ***non-Hong Kong company***—

Repeal

"company to which Part XI of the Companies Ordinance (Cap. 32) applies"

Substitute

"non-Hong Kong company as defined by section 2(1) of the Companies Ordinance (of 2012)".

(3) Section 2(1), definition of ***subsidiary***—

Repeal

everything after "has the meaning"

Substitute

"given by section 14 of the Companies Ordinance (of 2012) for the purposes of that Ordinance;".

257. Section 19H amended (Part IIIA prevails over any instruments applicable to registered schemes)

Section 19H(2), definition of ***specified instrument***, paragraph

(c)—

Repeal

everything after "articles"

Substitute

"within the meaning of the Companies Ordinance (of 2012).".

258. Section 42 amended (Authority may disclose certain information despite section 41)

Section 42(1)(d)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

259. Section 47C amended (Service of summons)

Section 47C—

Repeal

"section 338 or 356 of the Companies Ordinance (Cap. 32)"

Substitute

"section 791 or 815 of the Companies Ordinance (of 2012)".

Part 109

Amendments to Mandatory Provident Fund Schemes (General) Regulation (Cap. 485 sub. leg. A)

260. Section 10 amended (What are assets held in Hong Kong for the purposes of this Regulation?)

Section 10(g)—

Repeal

"within the meaning of section 2 of the Companies Ordinance (Cap. 32)"

Substitute

"as defined by section 2(1) of the Companies Ordinance (of 2012)".

261. Section 17 amended (Eligibility requirements for company incorporated outside Hong Kong)

Section 17(1)(a)—

Repeal

"company to which Part XI of the Companies Ordinance (Cap. 32) applies"

Substitute

"non-Hong Kong company as defined by section 2(1) of the Companies Ordinance (of 2012)".

262. Section 46 amended (Independence of investment manager)

Section 46(2)(b), Chinese text—

Repeal

"控股公司"

Substitute

"控權公司".

263. Section 109 amended (Approved trustee to lodge trustee's return with Authority)

Section 109(7)(a)—

Repeal

everything after "not a non-Hong Kong company,"

Substitute

"a copy of the financial statements, or the balance sheet and profit and loss account, of the company relating to the immediately preceding financial year of the company, together with a copy of the auditor's report on the documents and a copy of the directors' report for that year, all of which must be prepared in accordance with Part 9 of the Companies Ordinance (of 2012) or Part IV of the Companies Ordinance (Cap. 32) as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012), as the case may be;".

Part 110

Amendment to Mandatory Provident Fund Schemes (Exemption) Regulation (Cap. 485 sub. leg. B)

264. Section 17 amended (Effect of exemption certificate and mandatory conditions)

Section 17(3)(c)—

Repeal

everything after "articles"

Substitute

"of association; or".

Part 111

Amendments to Non-local Higher and Professional Education (Regulation) Ordinance

(Cap. 493)

265. Section 38 amended (Notices)

(1) Section 38(1)(c)—

Repeal

"to which Part XI of the Companies Ordinance (Cap. 32) applies"

Substitute

"as defined by section 2(1) of the Companies Ordinance (of 2012)".

(2) Section 38(3)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

Part 112

Amendment to Environmental Impact Assessment Ordinance (Cap. 499)

266. Schedule 1 amended (Interpretation)

Schedule 1, Chinese text, definition of ***相聯繫的人***, paragraph (m)(ii)—

Repeal

"控股公司" (wherever appearing)

Substitute

"控權公司".

Part 113

Amendments to The Hong Kong Institute of Housing Ordinance (Cap. 507)

267. Section 6 amended (Vesting of property)

Section 6, after "Companies Ordinance (Cap. 32)"—

Add

"as in force at the time of the incorporation".

268. Section 11 amended (Particulars to be delivered to the Registrar of Companies)

(1) Section 11(5)—

Repeal

"prescribed under section 304 of the Companies Ordinance (Cap. 32) of the inspection of a document under section 305"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012) for the inspection of a document under section 43 of that Ordinance".

(2) Section 11(6)—

Repeal

"specified in the Eighth Schedule to the Companies Ordinance (Cap. 32)"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012)".

Part 114

Amendments to Estate Agents Ordinance (Cap. 511)

269. Section 2 amended (Interpretation)

(1) Section 2(1), definition of ***company***—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

(2) Section 2(1), definition of ***group of companies***—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

270. Section 14 amended (Registered address)

Section 14(4)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

Part 115

Amendment to Patents (General) Rules (Cap. 514 sub. leg. C)

271. Section 85 amended (Agents)

Section 85(7)(d)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

Part 116

Amendment to Registered Designs Rules (Cap. 522 sub. leg. A)

272. Section 67 amended (Recognition of agents)

Section 67(6)(d)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

Part 117

Amendments to Mutual Legal Assistance in Criminal Matters Ordinance (Cap. 525)

273. Schedule 2 amended (Enforcement, etc. of External Confiscation Orders)

(1) Schedule 2, section 13(3)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012) or the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32)".

(2) Schedule 2, section 13(6), definition of ***company***—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(3) Schedule 2, section 14(1)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(4) Schedule 2, section 14(3)(b)(ii)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

Part 118

Amendment to Copyright Ordinance (Cap. 528)

274. Section 145 amended (Licensing schemes and licensing bodies)

Section 145(3)—

Repeal

"assigned to it by section 2 of the Companies Ordinance (Cap. 32)"

Substitute

"given by section 2(1) of the Companies Ordinance (of 2012)".

Part 119

Amendment to Merchant Shipping (Local Vessels) Ordinance (Cap. 548)

275. Section 12 amended (Ownership of local vessel)

Section 12(1)(b)—

Repeal

"non-Hong Kong company within the meaning of the Companies Ordinance (Cap. 32)"

Substitute

"registered non-Hong Kong company as defined by section 2(1) of the Companies Ordinance (of 2012)".

Part 120

Amendments to Merchant Shipping (Local Vessels) (Certification and Licensing) Regulation (Cap. 548 sub. leg. D)

276. Section 2 amended (Interpretation)

Section 2(1), definition of ***document of identification***—

Repeal paragraphs (b) and (c)

Substitute

"(b) in relation to a company as defined by section 2(1) of the Companies Ordinance (of 2012), the certificate of incorporation issued in respect of the company under the Ordinance under which the company was formed and registered; or

(c) in relation to a registered non-Hong Kong company as defined by section 2(1) of the Companies Ordinance (of 2012), the certificate of registration issued in respect of the company under the Ordinance under which the company was registered as a registered non-Hong Kong company;".

277. Section 24 amended (Certificate of ownership and other documents ceasing to have effect on death or dissolution of owner, etc.)

Section 24(b)—

Repeal

"non-Hong Kong company within the meaning of the Companies Ordinance (Cap. 32)"

Substitute

"registered non-Hong Kong company as defined by section 2(1) of the Companies Ordinance (of 2012)".

278. Section 25 amended (Notice of death or dissolution of owner, etc.)

Section 25(2)—

Repeal

"non-Hong Kong company within the meaning of the Companies Ordinance (Cap. 32)"

Substitute

"registered non-Hong Kong company as defined by section 2(1) of the Companies Ordinance (of

2012)".

Part 121

Amendment to Merchant Shipping (Local Vessels) (General) Regulation (Cap. 548 sub. leg. F)

279. Section 51 amended (Notice of appointment of agent)

Section 51(5)—

Repeal paragraphs (b) and (c)

Substitute

"(b) in relation to a company as defined by section 2(1) of the Companies Ordinance (of 2012), the certificate of incorporation issued in respect of the company under the Ordinance under which the company was formed and registered; or

(c) in relation to a registered non-Hong Kong company as defined by section 2(1) of the Companies Ordinance (of 2012), the certificate of registration issued in respect of the company under the Ordinance under which the company was registered as a registered non-Hong Kong company.".

Part 122

Amendment to Merchant Shipping (Local Vessels) (Safety and Survey) Regulation (Cap. 548 sub. leg. G)

280. Section 4 amended (Appointment of agent)

Section 4(4)—

Repeal paragraphs (b) and (c)

Substitute

"(b) in relation to a company as defined by section 2(1) of the Companies Ordinance (of 2012), the certificate of incorporation issued in respect of the company under the Ordinance under which the company was formed and registered; or

(c) in relation to a registered non-Hong Kong company as defined by section 2(1) of the Companies Ordinance (of 2012), the certificate of registration issued in respect of the company under the Ordinance under which the company was registered as a registered non-Hong Kong company.".

Part 123

Amendments to Mass Transit Railway Ordinance (Cap. 556)

281. Long title amended

Long title, paragraph (a), after "Companies Ordinance (Cap. 32)"—

Add

"as in force at the time of the incorporation".

282. Section 2 amended (Interpretation)

(1) Section 2(1), definition of ***MTR Corporation Limited***—

Repeal

"Companies Ordinance (Cap. 32)"

Substitute

"relevant Ordinance".

(2) Section 2(1)—

Add in alphabetical order

"***relevant Ordinance*** (《有關條例》) means the Companies Ordinance (Cap. 32) as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012);".

283. Section 8 amended (Chief Executive may appoint additional directors)

Section 8(5)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012), the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32)".

284. Section 36 amended (Interpretation)

Section 36(3)(a)—

Repeal

everything after "incorporated"

Substitute

", and registered by the name "MTR Corporation Limited" in English and "地鐵有限公司" in Chinese, under the relevant Ordinance; and".

285. Section 42 amended (Share capital)

Section 42—

Repeal subsection (3).

286. Section 43 amended (Accounts)

(1) Section 43, heading—

Repeal

"**Accounts**"

Substitute

"**Financial statements**".

(2) Section 43(1)—

Repeal

"accounts prepared by the Corporation for the purposes of the Companies Ordinance (Cap. 32)"

Substitute

"financial statements prepared by the Corporation for the purposes of the Companies Ordinance (of 2012)".

(3) Section 43(4)—

Repeal

"accounts of the Corporation prepared for the purposes of the Companies Ordinance (Cap. 32)"

Substitute

"financial statements of the Corporation prepared for the purposes of the Companies Ordinance (of 2012)".

(4) Section 43—

Repeal subsection (5).

287. Section 44 substituted

Section 44—

Repeal the section

Substitute

"**44. Distribution of dividend**

(1) For the purpose of a relevant distribution that

is made by the Corporation during the financial year of the Corporation which includes the appointed day or at any time before any accounts are laid or filed in respect of that year—

(a) sections 79F to 79L of the relevant Ordinance have effect as if—

(i) any reference in those sections to the company's accounts were a reference to the accounts of MTRC; and

(ii) any reference in those sections to the company's last annual accounts or to the initial accounts of the company were a reference to the accounts of MTRC prepared in accordance with section 16 of the repealed Ordinance in respect of the last complete financial year of MTRC;

(b) the accounts of MTRC mentioned in paragraph (a)(ii) are regarded as satisfying the requirements of sections 79G and 79I of the relevant Ordinance.

(2) In this section—

relevant distribution (有關分發) means any distribution to which Part IIA of the relevant Ordinance applied.".

288. Section 59 amended (Securities of Corporation as authorized investment)

(1) Section 59(2)(b)—

Repeal

"beneficially owns more than half in nominal value of the issued share capital"

Substitute

"controls more than half of the voting power".

(2) Section 59(3)(a)—

Repeal

everything after "incorporated"

Substitute

", and registered by the name "MTR Corporation Limited" in English and "地鐵有限公司" in Chinese, under the relevant Ordinance; and".

289. Section 66 amended (Change of Chinese name)

(1) Section 66—

Repeal subsection (5)

Substitute

"(5) The change of the Chinese name of the Corporation under subsection (1) has effect despite section 22(1) of the relevant Ordinance.".

(2) Section 66(6)—

Repeal

"section 22 of the Companies Ordinance (Cap. 32)"

Substitute

"sections 102, 103 and 104 of the Companies Ordinance (of 2012)".

(3) Section 66(7)—

Repeal

"Companies Ordinance (Cap. 32)"

Substitute

"relevant Ordinance".

Part 124

Amendment to Mass Transit Railway (Transport Interchange) Bylaw (Cap. 556 sub. leg. D)

290. Section 1 amended (Interpretation)

Section 1(2)(a)—

Repeal

everything after "incorporated"

Substitute

", and registered by the name "MTR Corporation Limited" in English and "地鐵有限公司" in Chinese, under the relevant Ordinance; and".

Part 125

Amendment to Trade Marks Rules (Cap. 559 sub. leg. A)

291. Rule 104 amended (Registrar may refuse to deal with certain agents)

Rule 104(d)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

Part 126

Amendments to Broadcasting Ordinance (Cap. 562)

292. Section 2 amended (Interpretation)

(1) Section 2(1), definition of ***company***—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

(2) Section 2(1), definition of ***subsidiary***—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

293. Section 8 amended (To whom licence may be granted)

Section 8(4)(c)—

Repeal

"memorandum and".

294. Schedule 1 amended (Disqualification for holding domestic free or pay television programme service licences and restriction on voting control of voting controllers)

(1) Schedule 1, section 1(1), definition of ***licensee's register***—

Repeal

"section 95 of the Companies Ordinance (Cap. 32)"

Substitute

"section 617 of the Companies Ordinance (of 2012)".

(2) Schedule 1, section 1(9)—

Repeal

"a company under section 2(4) and (6) of the Companies Ordinance (Cap. 32)"

Substitute

"another body corporate under section 14 of the Companies Ordinance (of 2012)".

(3) Schedule 1, section 15—

Repeal subsection (2).

(4) Schedule 1, section 19(1)—

Repeal

"memorandum or".

(5) Schedule 1, section 19(2)—

Repeal

"memorandum or".

(6) Schedule 1, section 20(2)—

Repeal

"memorandum or".

(7) Schedule 1, section 29—

Repeal subsection (2).

295. Schedule 4 amended (Domestic free television programme service supplementary provisions)

Schedule 4, section 7—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

Part 127

Amendments to Hong Kong Science and Technology Parks Corporation Ordinance (Cap. 565)

296. Section 2 amended (Interpretation)

(1) Section 2, definition of ***PHKSPCL***—

Repeal

everything after "incorporated"

Substitute

", and registered by the name "Provisional Hong Kong Science Park Company Limited", under the relevant Ordinance;".

(2) Section 2—

Add in alphabetical order

"***relevant Ordinance*** (《有關條例》) means the Companies Ordinance (Cap. 32) as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012);".

297. Section 8 amended (Powers of Corporation)

Section 8(2)(q)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

298. Section 36 amended (Dissolution of PHKSPCL)

(1) Section 36(1)—

Repeal

"Companies Ordinance (Cap. 32)"

Substitute

"relevant Ordinance".

(2) Section 36(2)(a)—

Repeal

"section 291A(2) of the Companies Ordinance (Cap. 32)"

Substitute

"section 753(1) of the Companies Ordinance (of 2012)".

(3) Section 36(2)(b)—

Repeal

"section 291B of that Ordinance"

Substitute

"section 745 of the Companies Ordinance (of 2012)".

Part 128

Amendment to Chief Executive Election

Ordinance (Cap. 569)

299. Schedule amended

The Schedule, section 2, Table 5, item 8(4)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012), or a former Companies Ordinance as defined by section 2(1) of the Companies Ordinance (of 2012),".

Part 129

Amendments to Securities and Futures Ordinance (Cap. 571)

300. Section 18 amended (Interpretation of Part III)

Section 18(4)(b)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

301. Section 25 amended (Transfer and resumption of functions of Commission)

(1) Section 25(2)(b)—

Repeal

"and".

(2) Section 25(2)—

Repeal paragraph (c)

Substitute

"(c) Parts II and XII of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32); and

(d) Part 5 of the Companies Ordinance (of 2012).".

302. Section 46 amended (Supplementary provisions as to default proceedings)

Section 46(3)—

Repeal

"and sections 166, 181, 183, 186 and 254 of the Companies Ordinance (Cap. 32)"

Substitute

", sections 181, 183, 186 and 254 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) and sections 661 and 664 of the Companies Ordinance (of 2012)".

303. Section 48 amended (Net sum payable on completion of default proceedings)

(1) Section 48(2)—

Repeal

"of the Companies Ordinance"

Substitute

"of the Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(2) Section 48(2)(b)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

304. Section 49 amended (Disclaimer of property, rescission of contracts, etc.)

(1) Section 49(1)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(2) Section 49(2)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

305. Section 50 amended (Adjustment of prior transactions)

Section 50(1)(b)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

306. Section 51 amended (Right of relevant office-holder to recover certain amounts arising from certain

transactions)

Section 51(3), definition of ***prescribed event***, paragraphs (b) and (c)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

307. Section 56 amended (Property deposited with recognized clearing house)

Section 56(3)—

Repeal

"section 100 of the Companies Ordinance (Cap. 32)"

Substitute

"section 624 of the Companies Ordinance (of 2012)".

308. Section 68 amended (Transfer and resumption of function of the Commission)

(1) Section 68(2)(b)—

Repeal

"and".

(2) Section 68(2)—

Repeal paragraph (c)

Substitute

"(c) Parts II and XII of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32); and

(d) Part 5 of the Companies Ordinance (of 2012).".

309. Section 77 amended (Financial Secretary may appoint not more than 8 persons to board of directors of HKEC)

Section 77(5)—

Repeal

everything after "incorporated"

Substitute

", and registered by the name Hong Kong Exchanges and Clearing Limited, under the relevant Ordinance.".

310. Section 88 amended (Financial statements of a recognized investor compensation company)

Section 88(2)(d)—

Repeal

"section 129B of the Companies Ordinance (Cap. 32)"

Substitute

"section 379 of the Companies Ordinance (of 2012)".

311. Section 94 amended (Application of Companies Ordinance)

(1) Section 94, heading—

Repeal

"**Companies Ordinance**"

Substitute

"**Companies Ordinance and Companies (Winding Up and Miscellaneous Provisions) Ordinance**".

(2) Section 94—

Repeal

"Companies Ordinance"

Substitute

"Companies Ordinance (of 2012) or the Companies (Winding Up and Miscellaneous Provisions) Ordinance".

312. Section 103 amended (Offence to issue advertisements, invitations or documents relating to investments in certain cases)

(1) Section 103(2)(ga)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(2) Section 103(3)(a)(i)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(3) Section 103(3)(a)(iii)—

Repeal

"the Companies Ordinance (Cap. 32)"

Substitute

"that Ordinance".

(4) Section 103(3)(b)(i) and (c)(i)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(5) Section 103(12), definition of ***registered company***—

Repeal

"(Cap. 32)"

Substitute

"(of 2012) or the relevant Ordinance".

313. Section 108 amended (Civil liability for inducing others to invest money in certain cases)

Section 108(4)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

314. Section 116 amended (Corporations to be licensed for carrying on regulated activities)

(1) Section 116(2)(a)—

Repeal subparagraph (ii)

Substitute

"(ii) a registered non-Hong Kong company as defined by section 2(1) of the Companies

Ordinance (of 2012); or".

(2) Section 116(2)(a)(iii)(C)—

Repeal

"Part XI of the Companies Ordinance (Cap. 32)"

Substitute

"Part 16 of the Companies Ordinance (of 2012)".

315. Section 153 amended (Auditor to be appointed by licensed corporations and associated entities of intermediaries)

Section 153(4)(b) and (7)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

316. Section 155 amended (Notification of end of financial year by licensed corporations and associated entities of intermediaries, etc.)

Section 155(5)—

Repeal

"section 122 of the Companies Ordinance (Cap. 32)"

Substitute

"section 420 of the Companies Ordinance (of 2012)".

317. Section 156 amended (Audited accounts, etc. to be submitted by licensed corporations and associated entities of intermediaries)

Section 156(3)(d)—

Repeal

"section 129B of the Companies Ordinance (Cap. 32)"

Substitute

"section 379 of the Companies Ordinance (of 2012)".

318. Section 175 amended (Requirements for offers by intermediaries or representatives for Type 1, Type 4 or Type 6 regulated activity)

Section 175(5)(a)(iii) and (aa)(i)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

319. Section 181 amended (Information relating to transactions)

Section 181(1)(a)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

320. Section 193 amended (Interpretation of Part IX)

(1) Section 193(1), English text, definition of ***misconduct***—

Repeal

"accordingly;"

Substitute

"accordingly.".

(2) Section 193(1)—

Repeal the definition of *register of companies*.

(3) Section 193(1)—

Add in alphabetical order

"***Companies Register*** (公司登記冊) has the meaning given by section 2(1) of the Companies Ordinance (of 2012);".

321. Section 195 amended (Other circumstances for disciplinary actions in respect of licensed persons, etc.)

Section 195(3)(b), English text—

Repeal

"register of companies"

Substitute

"Companies Register".

322. Section 197 amended (Other circumstances for disciplinary action in respect of registered institutions, etc.)

Section 197(3)(b), English text—

Repeal

"register of companies"

Substitute

"Companies Register".

323. Section 212 amended (Winding-up orders and bankruptcy orders)

Section 212(1)(a)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

324. Section 214 amended (Remedies in cases of unfair prejudice, etc. to interests of members of listed corporations, etc.)

(1) Section 214(5)—

Repeal

"Companies Ordinance (Cap. 32)"

Substitute

"Companies Ordinance (of 2012) or the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32)".

(2) Section 214(6)—

Repeal

"Companies Ordinance (Cap. 32) applies"

Substitute

"Companies Ordinance (of 2012) and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) apply".

325. Section 247 amended (Connected with a corporation (insider dealing))

Section 247(3)—

Repeal

"the relevant share capital of the corporation, the nominal value of which is equal to or more than 5% of the nominal value of the relevant share capital of the corporation"

Substitute

"5% or more of the total number of shares comprised in the relevant share capital of the corporation".

326. Section 287 amended (Connected with a corporation (insider dealing offence))

Section 287(3)—

Repeal

"the relevant share capital of the corporation, the nominal value of which is equal to or more than 5% of the nominal value of the relevant share capital of the corporation"

Substitute

"5% or more of the total number of shares comprised in the relevant share capital of the corporation".

327. Section 308 amended (Interpretation of Part XV)

Section 308(1), Chinese text, definition of ***相聯法團***, paragraph (a)—

Repeal

"控股公司" (wherever appearing)

Substitute

"控權公司".

328. Section 313 amended (Circumstances in which duty of disclosure arises)

Section 313(10), (11), (12) and (13)(v), Chinese text—

Repeal

"控股公司" (wherever appearing)

Substitute

"控權公司".

329. Section 327 amended (Duty to publish and notify Monetary Authority of information given under Division 4)

Section 327(2), Chinese text—

Repeal

"控股公司"

Substitute

"控權公司".

330. Section 330 amended (Duty to notify relevant exchange company, Commission and Monetary Authority of information given under section 329)

Section 330(3), Chinese text—

Repeal

"控股公司"

Substitute

"控權公司".

331. Section 332 amended (Listed corporation to report to members)

Section 332—

Repeal subsection (5).

332. Section 333 amended (Duty to deliver report prepared under section 332 to relevant exchange company,

Commission and Monetary Authority)

Section 333(3), Chinese text—

Repeal

"控股公司"

Substitute

"控權公司".

333. Section 336 amended (Register of interests in shares and short positions)

(1) Section 336(9)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(2) Section 336(10)(b)—

Repeal

", subject to subsection (11),".

(3) Section 336—

Repeal subsection (11).

(4) Section 336(15)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

334. Section 341 amended (Duty of disclosure by director and chief executive)

Section 341(4)—

Repeal

"for the purposes of section 124 of the Companies Ordinance (Cap. 32)".

335. Section 350 amended (Duty to publish and notify Monetary Authority of information given under Division 9)

Section 350(2), Chinese text—

Repeal

"控股公司"

Substitute

"控權公司".

336. Section 352 amended (Register of directors' and chief executives' interests and short positions)

(1) Section 352(10)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(2) Section 352(11)(b)—

Repeal

", subject to subsection (12),".

(3) Section 352—

Repeal subsection (12).

(4) Section 352(17)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

337. Section 356 amended (Power to investigate ownership of listed corporation)

Section 356(3)—

Repeal

"section 142(1) of the Companies Ordinance (Cap. 32)"

Substitute

"section 828(2) of the Companies Ordinance (of 2012)".

338. Section 366 amended (Power of Court of First Instance to impose restrictions on shares, etc. in case of failure to provide information required by listed corporation)

Section 366(3)—

Repeal

"memorandum or articles"

Substitute

"constitution".

339. Section 367 amended (Power of Financial Secretary to impose restrictions on shares, etc. in case of conviction of offences for non-compliance of notification requirements)

Section 367(3)—

Repeal

"memorandum or articles"

Substitute

"constitution".

340. Section 378 amended (Preservation of secrecy, etc.)

Section 378(3)(b)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

341. Section 379 amended (Avoidance of conflict of interests)

Section 379(2)(b)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012) or the relevant Ordinance".

342. Section 381 amended (Immunity in respect of communication with Commission by auditors of listed corporations, etc.)

Section 381(5), definition of ***auditor***, paragraph (b)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

343. Section 391 amended (Civil liability for false or misleading public communications concerning securities and futures contracts)

Section 391(9)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

344. Section 395 amended (Rules by Chief Executive in Council for payment of fees)

Section 395(1)(a)(ii)—

Repeal

"repurchases"

Substitute

"buy-backs".

345. Section 399 amended (Codes or guidelines by Commission)

Section 399(2)(b)—

Repeal

"repurchases"

Substitute

"buy-backs".

346. Section 400 amended (Service of notices, etc.)

(1) Section 400—

Renumber the section as section 400(1).

(2) Section 400(1)(b)(ii)—

Repeal

"registered office of the company within the meaning of the Companies Ordinance (Cap. 32)"

Substitute

"company's registered office in Hong Kong".

(3) Section 400(1)(c)—

Repeal

"non-Hong Kong company"

Substitute

"registered non-Hong Kong company as defined by section 2(1) of the Companies Ordinance (of 2012)".

(4) Section 400(1)(c)(i)—

Repeal

everything after "sent by post to,"

Substitute

"the authorized representative at the representative's address as shown in the Companies Register;".

(5) Section 400(1)(e)—

Repeal

"or a non-Hong Kong company"

Substitute

", a registered non-Hong Kong company as defined by section 2(1) of the Companies Ordinance (of 2012)".

(6) After section 400(1)—

Add

"(2) In this section—

authorized representative (獲授權代表) means an authorized representative as defined by section 762(1) of the Companies Ordinance (of 2012);

Companies Register (公司登記冊) has the meaning given by section 2(1) of the Companies Ordinance (of 2012).".

347. Section 407 amended (Savings, transitional, consequential and related provisions, etc.)

After section 407(4)—

Add

"(5) Part 5 of Schedule 10 provides for the savings and transitional arrangements that apply on, or relate to, the commencement of section 75 of Schedule 10 to the Companies Ordinance (of 2012).".

348. Schedule 1 amended (Interpretation and general provisions)

(1) Schedule 1, Part 1, section 1, definition of ***associated entity***—

Repeal

"non-Hong Kong company complying with the provisions of Part XI of the Companies Ordinance (Cap. 32) relating to the registration of documents"

Substitute

"registered non-Hong Kong company as defined by section 2(1) of the Companies Ordinance (of

2012)".

(2) Schedule 1, Part 1, section 1, definition of ***company***—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

(3) Schedule 1, Part 1, section 1, definition of ***constitution***, paragraph (a)—

Repeal

"memorandum and articles"

Substitute

"articles of association".

(4) Schedule 1, Part 1, section 1, definition of ***Futures Exchange Company***—

Repeal

everything after "incorporated"

Substitute

", and registered by the name Hong Kong Futures Exchange Limited, under the relevant Ordinance;".

(5) Schedule 1, Part 1, section 1—

Repeal the definition of *holding company*

Substitute

"***holding company*** (控權公司) means, in relation to a corporation, any other corporation of which it is a subsidiary;".

(6) Schedule 1, Part 1, section 1, definition of ***non-Hong Kong company***—

Repeal

"assigned to it by section 332 of the Companies Ordinance (Cap. 32)"

Substitute

"given by section 2(1) of the Companies Ordinance (of 2012)".

(7) Schedule 1, Part 1, section 1, definition of ***prospectus***—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(8) Schedule 1, Part 1, section 1, definition of ***Registrar of Companies***—

Repeal

"section 303 of the Companies Ordinance (Cap. 32)"

Substitute

"section 20(1) of the Companies Ordinance (of 2012)".

(9) Schedule 1, Part 1, section 1, definition of ***relevant provisions***, paragraph (b)—

Repeal

everything after "Parts II and XII of the"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32), so far as those Parts relate, directly or indirectly, to the performance of functions relating to prospectuses, whether or not such functions have been made the subject of a transfer order under section 25 or 68 of this Ordinance;".

(10) Schedule 1, Part 1, section 1, definition of ***relevant provisions***, after paragraph (b)—

Add

"(ba) Part 5 of the Companies Ordinance (of 2012), so far as that Part relates, directly or indirectly, to the performance of functions relating to—

(i) the buy-back by a corporation of its own shares; or

(ii) a corporation giving financial assistance for the acquisition of its own shares,

whether or not such functions have been made the subject of a transfer order under section 25 or 68 of this Ordinance;".

(11) Schedule 1, Part 1, section 1, definition of ***relevant provisions***, paragraph (c)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(12) Schedule 1, Part 1, section 1, definition of ***securities***, paragraph (i)—

Repeal

"section 29 of the Companies Ordinance (Cap. 32)"

Substitute

"section 10 of the Companies Ordinance (of 2012)".

(13) Schedule 1, Part 1, section 1, definition of ***Stock Exchange Company***—

Repeal

everything after "incorporated"

Substitute

", and registered by the name The Stock Exchange of Hong Kong Limited, under the relevant Ordinance;".

(14) Schedule 1, Chinese text, Part 1, section 1, definition of ***公司集團***—

Repeal

"控股公司"

Substitute

"控權公司".

(15) Schedule 1, Chinese text, Part 1, section 1, definition of ***專業投資者***, paragraph (i)(ii) and (iii)—

Repeal

"控股公司"

Substitute

"控權公司".

(16) Schedule 1, Part 1, section 1—

Repeal the definitions of *articles* and *memorandum*.

(17) Schedule 1, Part 1, section 1—

Add in alphabetical order

"***relevant Ordinance*** (《有關條例》) means the Companies Ordinance (Cap. 32) as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012);".

(18) Schedule 1, Chinese text, Part 1, section 3(a)(i) and (iii)—

Repeal

"控股公司"

Substitute

"控權公司".

(19) Schedule 1, Part 1, section 6(1)(a)(i)—

Repeal

"nominal value of which shares is equal to more than the nominal value of 10% of the issued share capital"

Substitute

"aggregate number of which shares is equal to more than 10% of the total number of issued shares".

349. Schedule 5 amended (Regulated activities)

(1) Schedule 5, Part 2, definition of ***dealing in securities***, paragraphs (vii), (viii)(A), (ix)(A) and (x)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(2) Schedule 5, Part 2, definition of ***securities margin financing***, paragraph (vi)—

Repeal

"share capital"

Substitute

"shares".

(3) Schedule 5, Chinese text, Part 2, definition of ***就期貨合約提供意見***—

Repeal

"控股公司" (wherever appearing)

Substitute

"控權公司".

(4) Schedule 5, Chinese text, Part 2, definition of ***就機構融資提供意見***—

Repeal

"控股公司" (wherever appearing)

Substitute

"控權公司".

(5) Schedule 5, Chinese text, Part 2, definition of ***就證券提供意見***—

Repeal

"控股公司" (wherever appearing)

Substitute

"控權公司".

(6) Schedule 5, Chinese text, Part 2, definition of ***證券或期貨合約管理***, paragraph (a)—

Repeal

"控股公司" (wherever appearing)

Substitute

"控權公司".

350. Schedule 7 amended (Offers by intermediaries or representatives for Type 1, Type 4 or Type 6 regulated activity under section 175 of this Ordinance)

(1) Schedule 7, Part 1, section 2(a), after "nominal value"—

Add

"(if any)".

(2) Schedule 7, Part 2, section 2(b)(i)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(3) Schedule 7, Part 2, section 3(b)(i), after "authorized capital"—

Add

"(if any), or the maximum number of shares issuable under the constitution,".

(4) Schedule 7, Part 2, section 3(b)(ii)—

Repeal

"that capital"

Substitute

"share capital".

(5) Schedule 7, Part 2, section 3(b)(iii)—

Repeal

"that capital"

Substitute

"the share capital".

(6) Schedule 7, Part 2, section 3, after "nominal value" (wherever appearing)—

Add

"(if any)".

(7) Schedule 7, Part 2, section 6(d), after "nominal value"—

Add

"(if any)".

351. Schedule 8 amended (Securities and Futures Appeals Tribunal)

(1) Schedule 8, Part 2, Division 1, item 71—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(2) Schedule 8, Part 2, Division 1, item 72—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

352. Schedule 10 amended (Savings, transitional, consequential and related provisions, etc.)

(1) Schedule 10, Part 1, section 3, definition of ***HKFECC***—

Repeal

everything after "incorporated"

Substitute

", and registered by the name HKFE Clearing Corporation Limited, under the relevant Ordinance;".

(2) Schedule 10, Part 1, section 3, definition of ***HKSCC***—

Repeal

everything after "incorporated"

Substitute

", and registered by the name Hong Kong Securities Clearing Company Limited, under the relevant Ordinance;".

(3) Schedule 10, Part 1, section 3, definition of ***SEOCH***—

Repeal

everything after "incorporated"

Substitute

", and registered by the name The SEHK Options Clearing House Limited, under the relevant Ordinance.".

(4) Schedule 10, Part 1, section 4, definition of ***HKEC***—

Repeal

everything after "incorporated"

Substitute

", and registered by the name Hong Kong Exchanges and Clearing Limited, under the relevant Ordinance.".

(5) Schedule 10, Part 1, section 53(1)(b) and (c)—

Repeal

"non-Hong Kong company that has complied with the provisions of Part XI of the Companies Ordinance (Cap. 32) for the registration of documents"

Substitute

"registered non-Hong Kong company as defined by section 2(1) of the Companies Ordinance (of 2012)".

(6) Schedule 10, Part 1, section 74(10)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(7) Schedule 10, Part 1, section 75(10)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(8) Schedule 10, Part 3, section 1(a) and (b)—

Repeal

"Companies Ordinance (Cap. 32)"

Substitute

"relevant Ordinance".

(9) Schedule 10, Part 3, sections 2(a) and 3(a)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(10) Schedule 10, after Part 4—

Add

"Part 5

Savings and Transitional Provisions Relating to Consequential Amendments to Securities and Futures Ordinance (Cap. 571) made by Companies Ordinance (of 2012)

1. During the period during which section 128(3) and section 129(3) of the relevant Ordinance have a continuing effect under Schedule 10 to the Companies Ordinance (of 2012) in relation to accounts of a corporation, section 332(5), despite its repeal, continues to apply to a report prepared under section 332, in relation to any information of that corporation.

2. During the period during which section 128(3) and section 129(3) of the relevant Ordinance have a continuing effect under Schedule 10 to the Companies Ordinance (of 2012) in relation to accounts of a corporation, section 336(11), despite its repeal, continues to apply to a register of interests in shares and short positions or an index of the names recorded in the register, in relation to any information of that corporation. Section 336(10)(b) is subject to section 336(11) during the period during which section 336(11) so continues to apply.

3. During the period during which section 128(3) and section 129(3) of the relevant Ordinance have a continuing effect under Schedule 10 to the Companies Ordinance (of 2012) in relation to accounts of a corporation, section 352(12), despite its repeal, continues to apply to a register of directors' and chief executives' interests and short positions or an index of the names recorded in the register, in relation to any information of that corporation. Section 352(11)(b) is subject to section 352(12) during the period during which section 352(12) so continues to apply.".

Part 130

Amendment to Securities and Futures (Licensing

and Registration) (Information) Rules (Cap. 571 sub. leg. S)

353. Schedule 1 amended (Meaning of terms "basic information" and "relevant information")

Schedule 1, Part 1, section 2(e)—

Repeal

"the date of compliance with the provisions of Part XI of the Companies Ordinance (Cap. 32) relating to the registration of documents"

Substitute

"the date of the certificate of registration issued in respect of the corporation under—

(i) Part XI of the relevant Ordinance; or

(ii) section 765 of Part 16 of the Companies Ordinance (of 2012)".

Part 131

Amendment to Securities and Futures (Miscellaneous) Rules (Cap. 571 sub. leg. U)

354. Section 5 amended (Persons prescribed as auditors for purposes of section 179 of Ordinance)

Section 5(1)(c)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

Part 132

Amendments to Securities and Futures (Price Stabilizing) Rules (Cap. 571 sub. leg. W)

355. Section 2 amended (Interpretation)

Section 2(1), definition of ***prospectus***, paragraphs (a) and (b)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

356. Section 3 amended (Application)

Section 3(d)(ii)(A)(I) and (II)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

Part 133

Amendment to Securities and Futures (Contracts Limits and Reportable Positions) Rules (Cap. 571 sub. leg. Y)

357. Section 4 amended (Restrictions on number of contracts held or controlled)

Section 4(10), Chinese text, definition of ***充足財政能力***—

Repeal

"控股公司"

Substitute

"控權公司".

Part 134

Amendments to Securities and Futures (Levy) Rules (Cap. 571 sub. leg. AA)

358. Section 10 amended (Report)

(1) Section 10(2)(b)(i)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012) or the relevant Ordinance".

(2) Section 10(2)(b)(ii)—

Repeal

"non-Hong Kong company and is registered under Part XI of that Ordinance"

Substitute

"registered non-Hong Kong company as defined by section 2(1) of the Companies Ordinance (of 2012)".

Part 135

Amendment to Securities and Futures (Investor Compensation—Levy) Rules (Cap. 571 sub. leg. AB)

359. Section 20 amended (Report)

Section 20(2)(b)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012) or the relevant Ordinance".

Part 136

Amendment to Securities and Futures (Transfer of Functions—Investor Compensation Company) Order (Cap. 571 sub. leg. AD)

360. Section 2 amended (Interpretation)

Section 2—

Repeal

everything after "incorporated"

Substitute

", and registered by the name "Investor Compensation Company Limited" in English and "投資者賠償有限公司" in Chinese, under the relevant Ordinance.".

Part 137

Amendment to Securities and Futures (Transfer of Functions—Stock Exchange Company) Order (Cap. 571 sub. leg. AE)

361. Section 3 amended (Transfer of functions of the Commission)

Section 3—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

Part 138

Amendments to Securities and Futures (Fees) Rules (Cap. 571 sub. leg. AF)

362. Section 4 amended (Interpretation of Part 3)

(1) Section 4, definition of ***Codes***—

Repeal

"The Codes on Takeovers and Mergers and Share Repurchases"

Substitute

"The Codes on Takeovers and Mergers and Share Buy-backs".

(2) Section 4—

Repeal the definition of *off-market share repurchase*

Substitute

"***off-market share buy-back*** (場外股份回購) has the meaning given by the Codes;".

(3) Section 4—

Repeal the definition of *off-market share repurchase circular*

Substitute

"***off-market share buy-back circular*** (場外股份回購通告) means a document required to be submitted to the Executive under the Share Buy-backs Code in connection with an off-market share buy-back;".

(4) Section 4, definition of ***relevant shares***, paragraph (b)—

Repeal

"repurchase" (wherever appearing)

Substitute

"buy-back".

(5) Section 4—

Repeal the definition of *Share Repurchase Code*

Substitute

"***Share Buy-backs Code*** (《股份回購守則》) means the parts of the Codes respectively entitled "Introduction", "Definitions", "General Principles", "Code on Share Buy-backs" and "Schedules";".

363. Section 5 amended (Fees relating to offer documents, off-market share repurchase circulars and whitewash documents)

(1) Section 5, heading—

Repeal

"**repurchase**"

Substitute

"**buy-back**".

(2) Section 5—

Repeal

"repurchase" (wherever appearing)

Substitute

"buy-back".

364. Section 7 amended (Fees for hearings concerning compliance with Codes or any rulings under them)

(1) Section 7(1)(b)—

Repeal

"Share Repurchase Code"

Substitute

"Share Buy-backs Code".

(2) Section 7(2)—

Repeal

"Share Repurchase Code"

Substitute

"Share Buy-backs Code".

365. Section 8 amended (Fees for miscellaneous applications)

Section 8(1)—

Repeal

"Share Repurchase Code"

Substitute

"Share Buy-backs Code".

366. Schedule 1 amended (Fees prescribed for purposes of section 395(1)(a)(i), (iii) and (iv) of Ordinance)

(1) Schedule 1, item 15—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(2) Schedule 1, item 21—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

Part 139

Amendment to Securities and Futures (Disclosure of Interests—Exclusions) Regulation (Cap. 571 sub. leg. AG)

367. Section 2 amended (Interpretation)

Section 2, Chinese text, definition of ***有條件要約***, paragraph (b)—

Repeal

"控股公司" (wherever appearing)

Substitute

"控權公司".

Part 140

Amendment to Tung Chung Cable Car Ordinance (Cap. 577)

368. Section 2 amended (Interpretation)

Section 2(1), definition of ***MTR Corporation Limited***, after "Companies Ordinance (Cap. 32)"—

Add

"as in force at the time of the incorporation".

Part 141

Amendments to Deposit Protection Scheme Ordinance (Cap. 581)

369. Section 2 amended (Interpretation)

(1) Section 2(1)—

Repeal the definition of *holding company*

Substitute

"***holding company*** (控權公司) has the meaning given by section 12 of the Companies Ordinance (of 2012) for the purposes of that Ordinance;".

(2) Section 2(1), definition of ***liquidator***—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(3) Section 2(1), definition of ***provisional liquidator***—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(4) Section 2(1), definition of ***subsidiary***—

Repeal

"means a subsidiary within the meaning of section 2 of the Companies Ordinance (Cap. 32)"

Substitute

"has the meaning given by section 14 of the Companies Ordinance (of 2012) for the purposes of that Ordinance".

370. Section 4 amended (Composition of Board)

Section 4(2)(b)(ii) and (iii), Chinese text—

Repeal

"控股公司"

Substitute

"控權公司".

371. Section 35 amended (Maximum amount of compensation payable to a depositor)

Section 35(a)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

372. Section 38 amended (Subrogation)

Section 38(4) and (5)(a)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

373. Schedule 1 amended (Deposits specified for purposes of definitions of *protected deposit* and *relevant deposit* in section 2(1) of this Ordinance)

(1) Schedule 1, section 3, definition of ***officer***, paragraph (b)—

Repeal

"assigned to it by section 2(1) of the Companies Ordinance (Cap. 32)"

Substitute

"given by section 2(1) of the Companies Ordinance (of 2012)".

(2) Schedule 1, Chinese text, section 3, definition of ***關連公司***, paragraphs (a) and (b)—

Repeal

"控股公司"

Substitute

"控權公司".

374. Schedule 2 amended (Provisions relating to Board)

Schedule 2, Chinese text, section 4(b)(ii)(B) and (C)—

Repeal

"控股公司"

Substitute

"控權公司".

Part 142

Amendments to Deposit Protection Scheme (Asset Maintenance) Rules (Cap. 581 sub. leg. C)

375. Section 3 amended (Assets in Hong Kong)

Section 3(2)(a) and (b), Chinese text—

Repeal

"控股公司"

Substitute

"控權公司".

376. Section 10 amended (Service of notices)

Section 10(a)—

Repeal

"within the meaning of section 2 of the Companies Ordinance (Cap. 32)"

Substitute

"as defined by section 2(1) of the Companies Ordinance (of 2012)".

Part 143

Amendments to Clearing and Settlement Systems Ordinance (Cap. 584)

377. Section 2 amended (Interpretation)

(1) Section 2, definition of ***directors' voluntary winding up statement***—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(2) Section 2, definition of ***resolution for voluntary winding up***—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

378. Section 15 amended (Interpretation)

(1) Section 15(1)(b)—

Repeal

"Companies Ordinance (Cap. 32); and"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32);".

(2) After section 15(1)(b)—

Add

"(ba) Part 15 of the Companies Ordinance (of 2012); and".

379. Section 21 amended (Abrogation of statutory provisions relating to disclaimer of property, restriction on dispositions of property, etc.)

Section 21(a) and (b)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

380. Section 22 amended (Abrogation of statutory powers relating to adjustment of prior transactions)

Section 22(b)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

381. Section 23 amended (Net sum payable on completion of default arrangements provable in insolvency proceedings)

Section 23(2)(b) and (3)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

Part 144

Amendments to Land Titles Ordinance (Cap. 585)

382. Section 2 amended (Interpretation)

(1) Section 2(1), definition of ***company***, paragraph (a)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

(2) Section 2(1), definition of ***company***, after paragraph (a)—

Add

"(ab) incorporated under a former Companies Ordinance as defined by section 2(1) of the Companies Ordinance (of 2012);".

(3) Section 2(1), definition of ***company***—

Repeal

"of the Companies Ordinance"

Substitute

"of the Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(4) Section 2(1), definition of ***liquidator***—

Repeal

"assigned to it by section 2(1) of the Companies Ordinance"

Substitute

"given by section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance".

383. Section 27 amended (Voluntary transfer)

Section 27(2)(b)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous

Provisions) Ordinance".

384. Section 37 amended (Form and effect of charges)

(1) Section 37(2)—

Repeal

"Part III of the Companies Ordinance (Cap. 32)"

Substitute

"Part 8 of the Companies Ordinance (of 2012)".

(2) Section 37(2)—

Repeal

"provisions of the Companies Ordinance (Cap. 32)"

Substitute

"provisions of the Companies Ordinance (of 2012)".

385. Section 68 amended (Transmission on liquidation)

Section 68(3), (4)(a) and (b)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

386. Section 71 amended (Registration of cautions)

Section 71(5)—

Repeal paragraph (a).

Part 145

Amendments to Financial Reporting Council Ordinance (Cap. 588)

387. Section 2 amended (Interpretation)

(1) Section 2(1), definition of ***associated undertaking***, paragraph (a)(i)—

Repeal

"the Twenty-third Schedule to the Companies Ordinance (Cap. 32)"

Substitute

"Schedule 1 to the Companies Ordinance (of 2012)".

(2) Section 2(1), definition of ***audit***, paragraphs (a) and (c)(i)—

Repeal

"Companies Ordinance (Cap. 32)"

Substitute

"relevant Ordinance or the Companies Ordinance (of 2012)".

(3) Section 2(1), definition of ***auditor***, paragraphs (a)(i) and (c)(i)(A)—

Repeal

"Companies Ordinance (Cap. 32)"

Substitute

"relevant Ordinance or the Companies Ordinance (of 2012)".

(4) Section 2(1), definition of ***company***—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

(5) Section 2(1), definition of ***HKEC***—

Repeal

everything after "incorporated"

Substitute

", and registered by the name Hong Kong Exchanges and Clearing Limited, under the relevant Ordinance;".

(6) Section 2(1), definition of ***prospectus***—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(7) Section 2(1), definition of ***Registrar of Companies***—

Repeal

"section 303(2) of the Companies Ordinance (Cap. 32)"

Substitute

"section 20(1) of the Companies Ordinance (of 2012)".

(8) Section 2(1), definition of ***relevant undertaking***, paragraph (a)(i)—

Repeal

"the Twenty-third Schedule to the Companies Ordinance (Cap. 32)"

Substitute

"Schedule 1 to the Companies Ordinance (of 2012)".

(9) Section 2(1), definition of ***reporting accountant***, paragraph (a)(i)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(10) Section 2(1), definition of ***specified report***, paragraph (a)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(11) Section 2(1)—

Add in alphabetical order

"***relevant Ordinance*** (《有關條例》) means the Companies Ordinance (Cap. 32) as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012);".

388. Section 4 amended (Relevant irregularity)

Section 4(7)(a)(i)—

Repeal

"Companies Ordinance (Cap. 32)"

Substitute

"relevant Ordinance or section 421 of the Companies Ordinance (of 2012)".

389. Section 51 amended (Preservation of secrecy)

(1) Section 51(3)(b)(ix)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(2) Section 51(3)(b)(xvi)—

Repeal

"Companies Ordinance (Cap. 32)"

Substitute

"relevant Ordinance or section 828 or 829 of the Companies Ordinance (of 2012)".

(3) Section 51(3)(c)(i) and (ii)(A)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

390. Section 60 amended (Service of notice, etc.)

(1) Section 60(2)(b)(ii)—

Repeal

"registered office of the company within the meaning of the Companies Ordinance (Cap. 32)"

Substitute

"company's registered office in Hong Kong".

(2) Section 60(2)(c) and (e)—

Repeal

"company to which Part XI of the Companies Ordinance (Cap. 32) applies"

Substitute

"registered non-Hong Kong company as defined by section 2(1) of the Companies Ordinance (of 2012)".

391. Schedule 1 amended (Definitions of *relevant financial report* and *relevant requirement*)

(1) Schedule 1, Part 1, definition of ***relevant financial report***, paragraph (a)(i)—

Repeal

"Companies Ordinance (Cap. 32)"

Substitute

"relevant Ordinance".

(2) Schedule 1, Part 1, definition of ***relevant financial report***, after paragraph (a)(i)—

Add

"(ia) a copy of the financial statements of the corporation, which was sent under section 421 of the Companies Ordinance (of 2012) to a member;".

(3) Schedule 1, Part 1, definition of ***relevant financial report***, paragraph (a)(ii)—

Repeal

"Companies Ordinance (Cap. 32)"

Substitute

"relevant Ordinance, or under section 777 of the Companies Ordinance (of 2012)".

(4) Schedule 1, Part 1, definition of ***relevant financial report***, paragraph (a)(iii)—

Repeal

"in compliance with section 141CA of the Companies Ordinance (Cap. 32) to a person entitled to be sent the copy"

Substitute

"to a person entitled to be sent the copy in compliance with section 141CA of the relevant Ordinance, or to a member in accordance with section 432 of the Companies Ordinance (of 2012) or in compliance with section 435 of that Ordinance".

(5) Schedule 1, Part 1, definition of ***relevant requirement***, paragraph (a)(i)—

Repeal

"Companies Ordinance (Cap. 32)"

Substitute

"relevant Ordinance or the Companies Ordinance (of 2012)".

(6) Schedule 1, Part 2, definition of ***relevant financial report***, paragraph (a)—

Repeal

"Companies Ordinance (Cap. 32)"

Substitute

"relevant Ordinance".

(7) Schedule 1, Part 2, definition of ***relevant financial report***, after paragraph (a)—

Add

"(ab) a copy of the financial statements of the corporation, which was sent under section 421 of the Companies Ordinance (of 2012) to a member;".

(8) Schedule 1, Part 2, definition of ***relevant financial report***, paragraph (b)—

Repeal

"in compliance with section 141CA of the Companies Ordinance (Cap. 32) to a person entitled to be sent the copy"

Substitute

"to a person entitled to be sent the copy in compliance with section 141CA of the relevant Ordinance, or to a member in accordance with section 432 of the Companies Ordinance (of 2012) or in compliance with section 435 of that Ordinance".

(9) Schedule 1, Part 2, definition of ***relevant requirement***—

Repeal

"Companies Ordinance (Cap. 32)"

Substitute

"relevant Ordinance or the Companies Ordinance (of 2012)".

Part 146

Amendments to Unsolicited Electronic Messages Ordinance (Cap. 593)

392. Section 2 amended (Interpretation)

Section 2(1), definition of ***Hong Kong company***, paragraph (a)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

393. Section 44 amended (Service of notices for purposes of sections 34, 35, 36 and 38)

Section 44(2)—

Repeal

"(Cap. 32) shall be deemed to have its usual place of business at its registered office for the purposes of that Ordinance, and any other organization shall be"

Substitute

"(of 2012) is deemed to have its usual place of business at its registered office in Hong Kong, and any other organization is".

Part 147

Amendment to Unsolicited Electronic Messages Regulation (Cap. 593 sub. leg. A)

394. Section 3 amended (Interpretation)

Section 3(2)—

Repeal

"(Cap. 32) shall be deemed to have its usual place of business at its registered office for the purposes of that Ordinance, and any other organization shall be"

Substitute

"(of 2012) is deemed to have its usual place of business at its registered office in Hong Kong, and any other organization is".

Part 148

Amendment to Energy Efficiency (Labelling of Products) Ordinance (Cap. 598)

395. Section 47 amended (Service of notices, etc.)

Section 47(c)(ii)—

Repeal

"registered office of the company within the meaning of the Companies Ordinance (Cap. 32)"

Substitute

"company's registered office in Hong Kong".

Part 149

Amendment to West Kowloon Cultural District Authority Ordinance (Cap. 601)

396. Section 2 amended (Interpretation)

Section 2, definition of ***subsidiary***—

Repeal

everything after "body corporate that is"

Substitute

"a subsidiary of the Authority within the meaning of section 14 of the Companies Ordinance (of 2012) for the purposes of that Ordinance;".

Part 150

Amendment to Race Discrimination Ordinance (Cap. 602)

397. Section 13 amended (Exception for employment of person with special skills, knowledge or experience)

Section 13(3)(a)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

Part 151

Amendments to Bunker Oil Pollution (Liability and Compensation) Ordinance (Cap. 605)

398. Section 30 amended (Service of notice etc.)

(1) Section 30(c)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

(2) Section 30(c)(ii)—

Repeal

"registered office of the company within the meaning of that Ordinance"

Substitute

"company's registered office in Hong Kong".

Part 152

Amendment to Arbitration Ordinance (Cap. 609)

399. Section 2 amended (Interpretation)

Section 2(1), definition of ***HKIAC***, after "Companies Ordinance (Cap. 32)"—

Add

"as in force at the time of the incorporation".

Part 153

Amendment to Buildings Energy Efficiency Ordinance (Cap. 610)

400. Section 47 amended (Issue of notice etc.)

Section 47(1)(c)(ii)—

Repeal

"registered office of the company within the meaning of the Companies Ordinance (Cap. 32)"

Substitute

"company's registered office in Hong Kong".

Part 154

Amendments to Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance (Cap. 615)

401. Schedule 2 amended (Requirements Relating to Customer Due Diligence and Record-keeping)

(1) Schedule 2, section 1(1), definition of ***identification document***—

Repeal paragraphs (b) and (c)

Substitute

"(b) in relation to a company as defined by section 2(1) of the Companies Ordinance (of 2012), means the certificate of incorporation issued in respect of the company under the Ordinance under which the company was formed and registered;

(c) in relation to a registered non-Hong Kong company as defined by section 2(1) of the Companies Ordinance (of 2012), means the certificate of registration issued in respect of the company under the Ordinance under which the company was registered as a registered non-Hong Kong company;".

(2) Schedule 2, section 17(4), definition of ***subsidiary***—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

(3) Schedule 2, section 22(3), definition of ***subsidiary undertaking***—

Repeal

"the Twenty-third Schedule to the Companies Ordinance (Cap. 32)"

Substitute

"Schedule 1 to the Companies Ordinance (of 2012)".

Part 155

Amendments to Society of Boys' Centres Incorporation Ordinance (Cap. 1008)

402. Section 8 amended (Registration)

(1) Section 8(3)—

Repeal

"prescribed under section 304 of the Companies Ordinance (Cap. 32) for the registration of a document required to be registered under the Companies Ordinance (Cap. 32)"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012) for the registration of a document required to be registered under that Ordinance".

(2) Section 8(4)—

Repeal

"prescribed under section 304(1A) of the Companies Ordinance (Cap. 32)"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012)".

Part 156

Amendments to Hong Kong and China Gas Company (Transfer of Incorporation) Ordinance (Cap. 1022)

403. Long title amended

Long title, after "Companies Ordinance (Cap. 32)"—

Add

"as in force at the time of the incorporation".

404. Section 2 amended (Interpretation)

(1) Section 2(1)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

(2) Section 2(2)—

Add in alphabetical order

"***relevant Ordinance*** (《有關條例》) means the Companies Ordinance (Cap. 32) as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012);".

405. Section 3 amended (Delivery of documents to Registrar and fee)

(1) Section 3(2)(b) and (g)—

Repeal

"Companies Ordinance (Cap. 32)"

Substitute

"relevant Ordinance".

(2) Section 3(2)(h)—

Repeal

"Companies Ordinance (Cap. 32)" (wherever appearing)

Substitute

"relevant Ordinance".

(3) Section 3(3)—

Repeal

everything after "Registrar"

Substitute

"on its deemed incorporation under the relevant Ordinance, and the company is exempt from any other fees under the Companies Ordinance (of 2012) in respect of the capitalization at any time of any amount standing, on the transfer date, to the credit of the company's share premium account.".

406. Section 4 amended (Deemed incorporation under Companies Ordinance)

(1) Section 4, heading—

Repeal

"**Companies Ordinance**"

Substitute

"**the relevant Ordinance**".

(2) Section 4(1)—

Repeal

"Companies Ordinance (Cap. 32)

Substitute

"relevant Ordinance".

(3) Section 4(2)—

Repeal paragraph (a)

Substitute

"(a) the company is deemed to be a company duly incorporated under the relevant Ordinance;

(ab) subject to this Ordinance, the Companies Ordinance (of 2012) and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) extend and apply to the company, and persons and matters associated with the company;

(ac) the company is capable of exercising all the functions of a company incorporated under the relevant Ordinance and having perpetual succession and a common seal;

(ad) the members are liable to contribute to the assets of the company in the event of its being wound up as is mentioned in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32); and".

(4) Section 4(2)(b)—

Repeal

everything after "Part XI"

Substitute

"of the relevant Ordinance ceases to apply to the company and the Registrar must retain such of the documents relating to the company and registered pursuant to that Part and Part XII of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) as the Registrar thinks fit.".

(5) Section 4(4)—

Repeal

"Companies Ordinance (Cap. 32)"

Substitute

"relevant Ordinance".

407. Section 5 amended (Application of Companies Ordinance to the company)

(1) Section 5—

Repeal subsection (1)

Substitute

"(1) Section 103(1)(a) and (b) of the Companies Ordinance (of 2012) and section 43(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) do not apply to

the company.".

(2) Section 5(2)—

Repeal

"anything in the Companies Ordinance (Cap. 32)"

Substitute

"anything in the relevant Ordinance".

(3) Section 5(2)(a), (b) and (c)—

Repeal

"Companies Ordinance (Cap. 32)"

Substitute

"relevant Ordinance".

(4) Section 5(3) and (4)—

Repeal

"Companies Ordinance (Cap. 32)"

Substitute

"relevant Ordinance".

408. Schedule amended

(1) The Schedule—

Repeal

"[ss. 3 & 6]"

Substitute

"[s. 6]".

(2) The Schedule, Chinese text, clause 3(I), (O) and (W)—

Repeal

"控股公司" (wherever appearing)

Substitute

"控權公司".

Part 157

Amendment to Hong Kong Tuberculosis, Chest and Heart Diseases Association Incorporation Ordinance (Cap. 1024)

409. Section 9 amended (Registration with the Registrar of Companies)

Section 9(4)—

Repeal

"appointed under section 305 of the Companies Ordinance (Cap. 32)"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012)".

Part 158

Amendments to Hop Yat Church of The Church of Christ in China Incorporation Ordinance (Cap. 1027)

410. Section 9 amended (Registration)

(1) Section 9(3)—

Repeal

"prescribed under section 305 of the Companies Ordinance (Cap. 32)"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012)".

(2) Section 9(4)—

Repeal

"prescribed under section 304 of the Companies Ordinance (Cap. 32)"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012)".

Part 159

Amendments to Masonic Benevolence Fund Incorporation Ordinance (Cap. 1034)

411. Section 8 amended (Fees)

(1) Section 8(1)—

Repeal

"prescribed under section 304 of the Companies Ordinance (Cap. 32)"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012)".

(2) Section 8(2)—

Repeal

"prescribed under section 305 of the Companies Ordinance (Cap. 32)"

Substitute

"payable under the regulations made under section 25

of the Companies Ordinance (of 2012)".

Part 160

Amendments to St. Stephen's College Council Incorporation Ordinance (Cap. 1049)

412. Section 6B amended (Particulars to be delivered to Registrar of Companies)

(1) Section 6B(3)—

Repeal

"prescribed under the Companies Ordinance (Cap. 32)"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012)".

(2) Section 6B(4)—

Repeal

"prescribed in the Companies Ordinance (Cap. 32)"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012)".

Part 161

Amendments to Zetland Hall Trustees Incorporation Ordinance (Cap. 1055)

413. Section 9 amended (Fees)

(1) Section 9(1)—

Repeal

"prescribed under section 304 of the Companies Ordinance (Cap. 32)"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012)".

(2) Section 9(2)—

Repeal

"prescribed under section 305 of the Companies Ordinance (Cap. 32)"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012)".

Part 162

Amendments to Hong Kong Society for the Protection of Children Incorporation Ordinance (Cap. 1058)

414. Section 8 amended (Registration)

(1) Section 8(3)—

Repeal

"prescribed under section 304 of the Companies Ordinance (Cap. 32)"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012)".

(2) Section 8(4)—

Repeal

"prescribed by section 305 of the Companies Ordinance (Cap. 32)"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012)".

Part 163

Amendments to The Council of Ling Liang World-Wide Evangelistic Mission Hong Kong Ling Liang Church Incorporation Ordinance (Cap. 1079)

415. Section 9 amended (Registration)

(1) Section 9(3)—

Repeal

"prescribed under section 304 of the Companies Ordinance (Cap. 32) for the inspection of a document under section 305 of that Ordinance"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012) for the inspection of a document under section 43 of that Ordinance".

(2) Section 9(4)—

Repeal

"prescribed under section 304 of the Companies Ordinance (Cap. 32)"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012)".

Part 164

Amendment to Franciscan Missionaries of Mary Incorporation Ordinance (Cap. 1082)

416. Section 6 amended (Appointment of Mother Superior and registration of particulars)

Section 6(4)—

Repeal

"in accordance with the Eighth Schedule of the Companies Ordinance (Cap. 32)"

Substitute

"as required by the regulations made under section 25 of the Companies Ordinance (of 2012)".

Part 165

Amendments to Caritas—Hong Kong Incorporation Ordinance (Cap. 1092)

417. Section 7 amended (Registration with Registrar of Companies)

(1) Section 7(3)—

Repeal

"specified in the Eighth Schedule to the Companies Ordinance (Cap. 32)"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012)".

(2) Section 7(4)—

Repeal

"prescribed under section 304(1A) of the Companies Ordinance (Cap. 32)"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012)".

Part 166

Amendments to St. Paul's College Council Incorporation Ordinance (Cap. 1102)

418. Section 7 amended (Registration with Registrar of Companies)

(1) Section 7(3)—

Repeal

"prescribed under section 305 of the Companies Ordinance (Cap. 32)"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012)".

(2) Section 7(4)—

Repeal

"prescribed under section 304 of the Companies Ordinance (Cap. 32)"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012)".

Part 167

Amendments to The Hong Kong Institution of Engineers Ordinance (Cap. 1105)

419. Section 11 amended (Particulars to be delivered to the

Registrar of Companies)

(1) Section 11(5)—

Repeal

"prescribed under section 305 of the Companies Ordinance (Cap. 32)"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012)".

(2) Section 11(6)—

Repeal

"specified in the Eighth Schedule to the Companies Ordinance (Cap. 32)"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012)".

Part 168

Amendment to Hong Kong Productivity Council Ordinance (Cap. 1116)

420. Section 2 amended (Interpretation)

Section 2, definition of ***company***—

Repeal

everything after "a company"

Substitute

"limited by shares and registered under the Companies Ordinance (Cap. 32) as in force at the time of the registration or the Companies Ordinance (of 2012);".

Part 169

Amendments to The English Schools Foundation Ordinance (Cap. 1117)

421. Section 4 amended (Objects and powers of Foundation)

Section 4(4), after "Companies Ordinance (Cap. 32)"—

Add

"as in force at the time of the incorporation or the Companies Ordinance (of 2012)".

422. Section 6 amended (Composition of Board of Governors)

Section 6(4)(b), after "Companies Ordinance (Cap. 32)"—

Add

"as in force at the time of the incorporation".

423. Section 26 amended (Registration with Registrar of Companies)

(1) Section 26(3)—

Repeal

"prescribed under section 304 of the Companies Ordinance (Cap. 32)"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012)".

(2) Section 26(5)—

Repeal

"prescribed under section 304(1A) of the Companies Ordinance (Cap. 32)"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012)".

Part 170

Amendments to The St. Stephen's Girls' College Council Incorporation Ordinance (Cap. 1121)

424. Section 9 amended (Registration with Registrar of Companies)

(1) Section 9(3)—

Repeal

"prescribed under section 305 of the Companies Ordinance (Cap. 32)"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012)".

(2) Section 9(4)—

Repeal

"specified in the Eighth Schedule to the Companies Ordinance (Cap. 32)"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012)".

Part 171

Amendments to Community Chest of Hong Kong Ordinance (Cap. 1122)

425. Section 13 amended (Certain instruments and particulars to be delivered to Registrar of Companies)

(1) Section 13(3)—

Repeal

"prescribed under section 304(1A) of the Companies Ordinance (Cap. 32)"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012)".

(2) Section 13(4)—

Repeal

"specified in the Eighth Schedule to the Companies Ordinance (Cap. 32)"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012)".

Part 172

Amendments to Diocesan Boys' School Committee Incorporation Ordinance (Cap. 1123)

426. Section 9 amended (Registration with Registrar of Companies)

(1) Section 9(3)—

Repeal

"prescribed under section 304(1A) of the Companies Ordinance (Cap. 32)"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012)".

(2) Section 9(4)—

Repeal

"specified in the Eighth Schedule to the Companies Ordinance (Cap. 32)"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012)".

Part 173

Amendments to Council of the Diocesan Girls' School Incorporation Ordinance (Cap. 1124)

427. Section 9 amended (Registration with Registrar of Companies)

(1) Section 9(3)—

Repeal

"prescribed under section 304(1A) of the Companies Ordinance (Cap. 32)"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012)".

(2) Section 9(4)—

Repeal

"specified in the Eighth Schedule to the Companies Ordinance (Cap. 32)"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012)".

Part 174

Amendments to Diocesan Preparatory School Council Incorporation Ordinance (Cap. 1125)

428. Section 9 amended (Registration with Registrar of Companies)

(1) Section 9(3)—

Repeal

"prescribed under section 304(1A) of the Companies Ordinance (Cap. 32)"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012)".

(2) Section 9(4)—

Repeal

"specified in the Eighth Schedule to the Companies Ordinance (Cap. 32)"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012)".

Part 175

Amendments to Hong Kong Sea Cadet Corps Ordinance (Cap. 1134)

429. Section 10 amended (Particulars to be delivered to Registrar of Companies)

(1) Section 10(4)—

Repeal

"prescribed under section 304(1A) of the Companies Ordinance (Cap. 32)"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012)".

(2) Section 10(5)—

Repeal

"specified in the Eighth Schedule to the Companies Ordinance (Cap. 32)"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012)".

Part 176

Amendments to Standard Chartered Asia Limited Ordinance (Cap. 1136)

430. Section 2 amended (Interpretation)

Section 2(1), definition of ***excluded items***, after "Companies Ordinance (Cap. 32)"—

Add

"as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012)".

431. Section 13 amended (Saving for SC Asia)

Section 13—

Repeal

"memorandum and".

Part 177

Amendments to Royal Bank of Scotland Ordinance (Cap. 1138)

432. Preamble amended

Preamble, paragraphs (a) and (b)—

Repeal

"registered under Part XI of the Companies Ordinance (Cap. 32) as a non-Hong Kong company"

Substitute

"a registered non-Hong Kong company as defined by section 2(1) of the Companies Ordinance (of 2012)".

433. Section 2 amended (Interpretation)

(1) Section 2(1), definition of ***authorized representative***—

Repeal

everything after "means"

Substitute

"an authorized representative as defined by section 762(1) of the Companies Ordinance (of 2012);".

(2) Section 2(1), definition of ***property***, after "Companies Ordinance (Cap. 32)"—

Add

"as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012)".

(3) Section 2(1)—

Repeal the definitions of *the registrar* and *subsidiary*.

434. Section 15 amended (Reserves and profits and losses transferred)

Section 15(4), after "Companies Ordinance (Cap. 32)"—

Add

"as in force on the appointed day".

Part 178

Amendments to The Spiritual Assembly of the Baha'is of Hong Kong Incorporation Ordinance (Cap. 1143)

435. Section 2 amended (Interpretation)

(1) Section 2, definition of ***company***—

Repeal

everything after "incorporated"

Substitute

", and registered by the name "The National Spiritual Assembly of the Baha'is of Hong Kong, under the relevant Ordinance;".

(2) Section 2, English text, definition of ***employee***, paragraph (b)—

Repeal the full stop

Substitute a semicolon.

(3) Section 2—

Add in alphabetical order

"***relevant Ordinance*** (《有關條例》) means the Companies Ordinance (Cap. 32) as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012).".

436. Section 11 amended (Dissolution of the company)

(1) Section 11(1)—

Repeal

"Companies Ordinance (Cap. 32)"

Substitute

"relevant Ordinance".

(2) Section 11(2)—

Repeal paragraph (a).

(3) Section 11(2)(b)—

Repeal

"section 291B of the Companies Ordinance (Cap. 32) shall apply"

Substitute

"section 745 of the Companies Ordinance (of 2012) applies".

Part 179

Amendment to Rainier International Bank (Transfer of Hong Kong Undertaking) Ordinance (Cap. 1144)

437. Section 2 amended (Interpretation)

Section 2(1), definition of ***Hong Kong undertaking***, paragraph (iv), after "Companies Ordinance (Cap. 32)"—

Add

"as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012)".

Part 180

Amendments to First Pacific Bank Limited Ordinance (Cap. 1146)

438. Section 2 amended (Interpretation)

Section 2(1), definition of ***excluded property***, after "Companies Ordinance (Cap. 32)"—

Add

"as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012)".

439. Section 15 amended (Saving for companies)

Section 15—

Repeal

"and memorandum".

Part 181

Amendments to The Hong Kong Institute of Architects Incorporation Ordinance (Cap. 1147)

440. Section 11 amended (Particulars to be delivered to the Registrar of Companies)

(1) Section 11(5)—

Repeal

"prescribed under section 304 of the Companies Ordinance (Cap. 32) for the inspection of a document under section 305"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012) for the inspection of a document under section 43(2) of that

Ordinance".

(2) Section 11(6)—

Repeal

"specified in the Eighth Schedule to the Companies Ordinance (Cap. 32)"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012)".

Part 182

Amendments to The Hong Kong Institute of Surveyors Ordinance (Cap. 1148)

441. Section 11 amended (Particulars to be delivered to the Registrar of Companies)

(1) Section 11(5)—

Repeal

"prescribed under section 304 of the Companies Ordinance (Cap. 32) for the inspection of a document under section 305"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012) for the inspection of a document under section 43(2) of that Ordinance".

(2) Section 11(6)—

Repeal

"specified in the Eighth Schedule to the Companies Ordinance (Cap. 32)"

Substitute

"payable under the regulations made under section 25

of the Companies Ordinance (of 2012)".

Part 183

Amendments to Dao Heng Bank Limited Ordinance (Cap. 1152)

442. Section 2 amended (Interpretation)

Section 2(1), definition of ***excluded property***, paragraph (b), after "Companies Ordinance (Cap. 32)"—

Add

"as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012)".

443. Section 16 amended (Saving for companies)

Section 16—

Repeal

"and memorandum".

Part 184

Amendments to The Hong Kong Institute of Planners Incorporation Ordinance (Cap. 1153)

444. Section 11 amended (Particulars to be delivered to the Registrar of Companies)

(1) Section 11(5)—

Repeal

"prescribed under section 304 of the Companies Ordinance (Cap. 32) for the inspection of a document under section 305"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012) for the inspection of a document under section 43(2) of that Ordinance".

(2) Section 11(6)—

Repeal

"specified in the Eighth Schedule to the Companies Ordinance (Cap. 32)"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012)".

Part 185

Amendment to Middle East Finance International Limited (Transfer of Undertaking) Ordinance (Cap. 1154)

445. Section 2 amended (Interpretation)

Section 2(1), definition of ***excluded property***, paragraph (b), after "Companies Ordinance (Cap. 32)"—

Add

"as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012)".

Part 186

Amendments to The Bank of Tokyo-Mitsubishi (Merger of Subsidiaries) Ordinance (Cap. 1161)

446. Section 2 amended (Interpretation)

Section 2(1), definition of ***excluded property***, paragraph (b), after "Companies Ordinance (Cap. 32)"—

Add

"as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012)".

447. Section 19 amended (Saving for companies)

Section 19—

Repeal

"memorandum and".

Part 187

Amendments to The Hong Kong Institute of Landscape Architects Incorporation Ordinance (Cap. 1162)

448. Section 11 amended (Particulars to be delivered to the Registrar of Companies)

(1) Section 11(5)—

Repeal

"prescribed under section 304 of the Companies Ordinance (Cap. 32) for the inspection of a document under section 305 of that Ordinance"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012) for the inspection of a document under section 43(2) of that Ordinance".

(2) Section 11(6)—

Repeal

"specified in the Eighth Schedule to the Companies Ordinance (Cap. 32)"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012)".

Part 188

Amendment to Lingnan University Ordinance (Cap. 1165)

449. Section 2 amended (Interpretation)

Section 2, definitions of ***Lingnan Education Organization Limited*** and ***Lingnan University Alumni Association (Hong Kong) Limited***, after "Companies Ordinance (Cap. 32)"—

Add

"as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012)".

Part 189

Amendments to Order of Friars Minor in Hong Kong Incorporation Ordinance (Cap. 1166)

450. Section 7 amended (Registration with Registrar of Companies)

(1) Section 7(4)—

Repeal

"prescribed under section 304 of the Companies Ordinance (Cap. 32) for the inspection of a document under section 305 of that Ordinance"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012) for the inspection of a document under section 43(2) of that Ordinance".

(2) Section 7(5)—

Repeal

"specified in the Eighth Schedule to the Companies Ordinance (Cap. 32)"

Substitute

"payable under the regulations made under section 25 of the Companies Ordinance (of 2012)".

Part 190

Amendments to Bank of China (Hong Kong) Limited (Merger) Ordinance (Cap. 1167)

451. Section 2 amended (Interpretation)

(1) Section 2(1), definition of ***excluded property and liabilities***, paragraph (b), after "Companies Ordinance (Cap. 32)"—

Add

"as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012)".

(2) Section 2(1), definition of ***Registrar of Companies***, after "Companies Ordinance (Cap. 32)"—

Add

"as in force on the day of the appointment".

(3) Section 2(1), definition of ***subsidiary***—

Repeal

"assigned to it by section 2(4) of the Companies Ordinance (Cap. 32)"

Substitute

"given by section 14 of the Companies Ordinance

(of 2012) for the purposes of that Ordinance".

452. Section 21 amended (Saving for companies)

Section 21—

Repeal

"memorandum and articles of association"

Substitute

"articles of association, and its memorandum of association (if applicable),".

Part 191

Amendments to The Bank of East Asia, Limited Ordinance (Cap. 1168)

453. Section 2 amended (Interpretation)

Section 2(1), definition of ***excluded property***, paragraph (b), after "Companies Ordinance (Cap. 32)"—

Add

"as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012)".

454. Section 17 amended (Saving for companies)

Section 17—

Repeal

"memorandum and".

Part 192

Amendments to Mizuho Corporate Bank, Ltd.

(Hong Kong Consolidation) Ordinance (Cap. 1169)

455. Preamble amended

Preamble, Chinese text, paragraph (e)—

Repeal

"控股公司"

Substitute

"控權公司".

456. Section 2 amended (Interpretation)

Section 2(1), definition of ***subsidiary***—

Repeal

"assigned to it by section 2 of the Companies Ordinance (Cap. 32)"

Substitute

"given by section 14 of the Companies Ordinance (of 2012) for the purposes of that Ordinance".

Part 193

Amendments to The Bank of East Asia, Limited (Merger) Ordinance (Cap. 1170)

457. Section 2 amended (Interpretation)

Section 2(1), definition of ***excluded property***, paragraph (b), after "Companies Ordinance (Cap. 32)"—

Add

"as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012)".

458. Section 17 amended (Saving for companies)

Section 17—

Repeal

"memorandum and".

Part 194

Amendments to CITIC Ka Wah Bank Limited (Merger) Ordinance (Cap. 1171)

459. Section 2 amended (Interpretation)

(1) Section 2(1), definition of ***excluded property and liabilities***, paragraph (b), after "Companies Ordinance (Cap. 32)"—

Add

"as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012)".

(2) Section 2(1), definition of ***Registrar of Companies***, after "Companies Ordinance (Cap. 32)"—

Add

"as in force on the day of the appointment".

460. Section 18 amended (Saving for companies)

Section 18—

Repeal

"memorandum and" (wherever appearing).

Part 195

Amendments to Dao Heng Bank Limited (Merger) Ordinance (Cap. 1172)

461. Section 2 amended (Interpretation)

(1) Section 2(1), definition of ***excluded property***, paragraph (b), after "Companies Ordinance (Cap. 32)"—

Add

"as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012)".

(2) Section 2(1), definition of ***Registrar of Companies***, after "Companies Ordinance (Cap. 32)"—

Add

"as in force on the day of the appointment".

(3) Section 2(1), definition of ***subsidiary***—

Repeal

"assigned to it by section 2 of the Companies Ordinance (Cap. 32)"

Substitute

"given by section 14 of the Companies Ordinance (of 2012) for the purposes of that Ordinance".

462. Section 18 amended (Saving for companies)

(1) Section 18—

Repeal

"Dao Heng Bank to alter its memorandum and"

Substitute

"Dao Heng Bank to alter its".

(2) Section 18—

Repeal

"DBS Group to alter its memorandum and articles of association"

Substitute

"DBS Group to alter its articles of association, and its memorandum of association (if applicable),".

Part 196

Amendments to The Bank of East Asia, Limited (Merger of Subsidiaries) Ordinance (Cap. 1173)

463. Section 2 amended (Interpretation)

(1) Section 2(1), definition of ***excluded property***, paragraph (b), after "Companies Ordinance (Cap. 32)"—

Add

"as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012)".

(2) Section 2(1), definition of ***Registrar of Companies***, after "Companies Ordinance (Cap. 32)"—

Add

"as in force on the day of the appointment".

464. Section 16 amended (Saving for companies)

Section 16—

Repeal

"memorandum and" (wherever appearing).

Part 197

Amendments to Standard Chartered Bank (Hong Kong) Limited (Merger) Ordinance (Cap. 1174)

465. Preamble amended

Preamble, Chinese text, paragraph (g)—

Repeal

"控股公司"

Substitute

"控權公司".

466. Section 2 amended (Interpretation)

(1) Section 2(1), definition of ***excluded property and liabilities***, paragraph (b), after "Companies Ordinance (Cap. 32)"—

Add

"as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012)".

(2) Section 2(1), definition of ***Registrar of Companies***, after "Companies Ordinance (Cap. 32)"—

Add

"as in force on the day of the appointment".

(3) Section 2(1), definition of ***subsidiary***—

Repeal

"assigned to it by section 2(4) of the Companies Ordinance (Cap. 32)"

Substitute

"given by section 14 of the Companies Ordinance (of 2012) for the purposes of that Ordinance".

467. Section 19 amended (Saving for companies)

(1) Section 19—

Repeal

"Standard Chartered Bank (Hong Kong) to alter its memorandum and"

Substitute

"Standard Chartered Bank (Hong Kong) to alter its".

(2) Section 19—

Repeal

"Standard Chartered Group to alter its memorandum and articles of association"

Substitute

"Standard Chartered Group to alter its articles of association, and its memorandum of association (if applicable),".

Part 198

Amendments to Wing Hang Bank, Limited (Merger) Ordinance (Cap. 1176)

468. Section 2 amended (Interpretation)

(1) Section 2(1), definition of ***excluded property***, paragraph (b), after "Companies Ordinance (Cap. 32)"—

Add

"as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012)".

(2) Section 2(1), definition of ***Registrar of Companies***, after "Companies Ordinance (Cap. 32)"—

Add

"as in force on the day of the appointment".

(3) Section 2(1), definition of ***subsidiary***—

Repeal

"assigned to it by section 2 of the Companies Ordinance (Cap. 32)"

Substitute

"given by section 14 of the Companies Ordinance (of 2012) for the purposes of that Ordinance".

469. Section 18 amended (Saving for companies)

Section 18—

Repeal

"memorandum and" (wherever appearing).

Part 199

Amendments to Citibank (Hong Kong) Limited (Merger) Ordinance (Cap. 1177)

470. Preamble amended

Preamble, Chinese text, paragraph (d)—

Repeal

"控股公司"

Substitute

"控權公司".

471. Section 2 amended (Interpretation)

(1) Section 2(1), definition of ***excluded property and liabilities***, paragraph (b), after "Companies Ordinance (Cap. 32)"—

Add

"as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012)".

(2) Section 2(1)—

Repeal the definition of *Registrar of Companies*.

(3) Section 2(1), definition of ***subsidiary***—

Repeal

"assigned to it by section 2(4) of the Companies Ordinance (Cap. 32)"

Substitute

"given by section 14 of the Companies Ordinance (of 2012) for the purposes of that Ordinance".

472. Section 15 amended (Saving for companies)

Section 15—

Repeal

"Citibank (Hong Kong) to alter its memorandum and"

Substitute

"Citibank (Hong Kong) to alter its".

Part 200

Amendments to Industrial and Commercial Bank of China (Asia) Limited (Merger) Ordinance (Cap. 1178)

473. Preamble amended

Preamble, Chinese text, paragraph (c)—

Repeal

"控股公司"

Substitute

"控權公司".

474. Section 2 amended (Interpretation)

(1) Section 2(1), definition of ***excluded property***, paragraph (b), after "Companies Ordinance (Cap. 32)"—

Add

"as in force from time to time before the commencement date of section 2 of Schedule 9 to the Companies Ordinance (of 2012)".

(2) Section 2(1), definition of ***subsidiary***—

Repeal

"assigned to it by section 2 of the Companies Ordinance (Cap. 32)"

Substitute

"given by section 14 of the Companies Ordinance (of 2012) for the purposes of that Ordinance".

475. Section 18 amended (Saving for companies)

Section 18—

Repeal

"ICBC (Asia) to alter its memorandum and"

Substitute

"ICBC (Asia) to alter its".

Part 201

Amendments to Legal Services Legislation (Miscellaneous Amendments) Ordinance 1997 (94 of 1997)

476. Section 2 amended (Part added)

(1) Section 2, new section 7B, definition of ***company***—

Repeal

"(Cap. 32)"

Substitute

"(of 2012) or under a former Companies Ordinance as defined by section 2(1) of the Companies Ordinance (of 2012)".

(2) Section 2, new section 7B, definition of ***shares***—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

(3) Section 2, new section 7C(4)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

(4) Section 2, new section 7E, heading—

Repeal

"**memorandum or**".

(5) Section 2, new section 7E(1)(a)—

Repeal

"memorandum or".

(6) Section 2, new section 7F(2)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

(7) Section 2, new section 7G(1)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(8) Section 2, new section 7G(2)—

Repeal

"Companies Ordinance"

Substitute

"Companies (Winding Up and Miscellaneous Provisions) Ordinance".

(9) Section 2, new section 7H(1)(b)—

Repeal

"memorandum or".

(10) Section 2, new section 7K, heading—

Repeal

"memorandum and".

(11) Section 2, new section 7K—

Repeal

"memorandum and".

477. Section 5 amended (Sections added)

Section 5, new section 39BB(2)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".

Part 202

Amendments to Air Transport (Licensing of Air Services) (Amendment) Regulation 2011 (L.N. 158 of 2011)

478. Section 7 amended (Regulations 6 and 7 substituted)

Section 7, new regulation 6(6), definition of ***related undertaking***, paragraph (a)—

Repeal

"the Twenty-third Schedule to the Companies Ordinance (Cap. 32)"

Substitute

"Schedule 1 to the Companies Ordinance (of 2012)".

479. Section 17 amended (Regulations 15A to 15F added)

(1) Section 17, Chinese text, new regulation 15A(3)(a)

and (b), (5)(a) and (b), (6) and (7)—

Repeal

"控股公司" (wherever appearing)

Substitute

"控權公司".

(2) Section 17, new regulation 15A(8)—

Repeal the definition of *holding company*

Substitute

"***holding company*** (控權公司) has the meaning given by section 12 of the Companies Ordinance (of 2012) for the purposes of that Ordinance.".

Part 203

Amendment to Lifts and Escalators Ordinance (8 of 2012)

480. Section 149 amended (Service of notices etc.)

Section 149(1)(c)—

Repeal

"(Cap. 32)"

Substitute

"(of 2012)".".

Schedule 10 By deleting "[s. 901]" and substituting "[ss. 26, 365 & 901]".

Schedule 10, section 2 By adding—

"(3) The place directed or last directed by the Chief Executive under section 303(1) of the predecessor Ordinance before the commencement date of section 20 is to be regarded as the place that has been designated under section 20(3).".

Schedule 10, section 3 By deleting subsection (2) and substituting—

"(2) Sections 4, 5, 6, 9, 10, 11, 12, 14, 14A, 15, 16, 18, 18A, 20, 23 and 24 of the predecessor Ordinance, Tables A, B, C, D and E in the First Schedule to that Ordinance, and the Companies (Specification of Names) Order (Cap. 32 sub. leg. E), as in force immediately before their repeal, continue to apply in relation to the pending application.".

Schedule 10, section 6 By renumbering the section as section 6(1).

Schedule 10, section 6 By adding—

"(2) Item 1(a) of Schedule 1 to the Companies (Fees and Percentages) Order (Cap. 32 sub. leg. C), as in force immediately before its repeal, continues to apply in relation to a petition to confirm an alteration in a memorandum presented under section 8 of the predecessor Ordinance having a continuing effect under subsection (1).".

Schedule 10, section 12 By deleting subsection (2) and substituting—

"(2) Sections 19(1), (2), (3), (4) and (5) and 117 of the predecessor Ordinance, as in force immediately before their repeal, continue to apply in relation to the special resolution.".

Schedule 10, section 15 By deleting everything after "before" and substituting "31 August 1984.".

Schedule 10, section 15 By deleting the note.

Schedule 10, section 17 By deleting subsection (2).

Schedule 10, section 27 — By deleting the section.

Schedule 10, section 28 — By deleting subsection (2).

Schedule 10, section 30 — By renumbering the section as section 30(1).

Schedule 10, section 30 — By adding—

"(2) Item 2(a) of Schedule 1 to the Companies (Fees and Percentages) Order (Cap. 32 sub. leg. C), as in force immediately before its repeal, continues to apply in relation to an application made under section 64 of the predecessor Ordinance having a continuing effect under subsection (1).".

Schedule 10, section 33 — By deleting "section 56" and substituting "sections 52 and 56".

Schedule 10, section 33 — By deleting "that section" and substituting "those sections".

Schedule 10, section 39(1)(c) — By deleting everything after "before" and substituting "1 September 1991.".

Schedule 10, section 39(1) — By deleting the note.

Schedule 10, section 39(2) — By deleting "the commencement date of the Companies (Amendment) Ordinance 1991 (77 of 1991)" and substituting "1 September 1991".

Schedule 10, section 43 — By deleting subsection (1) and substituting—

"(1) Section 58 (so far as it relates to a reduction of share capital) and sections 59 to 63 of the predecessor Ordinance and Order 102 of the Rules of the High Court (Cap. 4 sub. leg. A), as in force immediately before the commencement date of Subdivision 3 of Division 3 of Part 5, continue to apply in relation to a resolution for reducing share capital that was passed under section 58(1) of the predecessor Ordinance immediately before that commencement date.

(1A) Sections 58 to 63 of the predecessor Ordinance and Order 102 of the Rules of the High Court (Cap. 4 sub. leg. A), as in force immediately before the commencement date of Subdivision 3 of Division 3 of Part 5—

(a) continue to apply, by virtue of section 48B(1) of the predecessor Ordinance as so in force, in relation to a resolution for reducing share premium that was passed under section 58(1) of the predecessor Ordinance before that commencement date; and

(b) continue to apply, by virtue of section 49H(4) of the predecessor Ordinance as so in force, in relation to a resolution for reducing capital redemption reserve that was passed under section 58(1) of the predecessor Ordinance before that commencement date.

(1B) Item 1(b) of Schedule 1 to the Companies (Fees and Percentages) Order (Cap. 32 sub. leg. C), as in force immediately before its repeal—

(a) continues to apply to an application to confirm a reduction of share capital made under section 59 of the predecessor Ordinance having a continuing effect under subsection (1);

(b) continues to apply, by virtue of section 48B(1) of the predecessor Ordinance as in force immediately before its repeal, to an application to confirm a reduction of share premium made under section 59 of the predecessor Ordinance having a continuing effect under subsection (1A)(a); and

(c) continues to apply, by virtue of section 49H(4) of the predecessor Ordinance as in force immediately before its repeal, to an application to confirm a reduction of capital redemption reserve made under section 59 of the predecessor Ordinance having a continuing effect under subsection (1A)(b).".

Schedule 10, section 45

By deleting the section and substituting—

"**45. Redeemable shares issued before commencement date**

Any redeemable preference shares issued before 1 September 1991 and any redeemable shares issued on or after that date but before the commencement date of section 229 may be redeemed in accordance with this Ordinance.".

Schedule 10, section 46

By deleting the section and substituting—

"**46. Effect of company's failure to redeem or buy back**

Sections 267 and 268 do not apply to any redeemable preference shares issued before 1 September 1991.".

Schedule 10, section 49(2)

By deleting paragraph (b) and substituting—

"(b) in section 79J(2) of the predecessor Ordinance, the following had been added after paragraph (a)—

"(ba) financial assistance—

(i) that is given by the company in contravention of Division 5 of Part 5 of the Companies Ordinance (of 2012); and

(ii) the giving of which reduces the company's net assets or increases its net liabilities;"; and".

Schedule 10

By adding immediately before section 51—

"**50A. Register of debenture holders**

On and after the commencement date of section 304, a register of holders of debentures kept under section 74A of the predecessor Ordinance is to be regarded as a register of debenture holders kept under section 304.".

Schedule 10, section 52

By deleting the section and substituting—

"**52. Right to inspect register of debenture holders**

Sections 75(1), (4), (5) and (6) and 348C(3) of the predecessor Ordinance, as in force immediately before their repeal, continue to apply in relation to a request received by the company before the commencement date of section 306 for inspecting a register of debenture holders.".

Schedule 10, section 53

By deleting the section and substituting—

"**53. Right to obtain copy of register of debenture holders**

Sections 75(2), (4) and (5) and 348C(3) of the predecessor Ordinance, as in force immediately before their repeal, continue to apply in relation to a request received by the company before the commencement date of section 306 for a copy of a register of debenture holders (or any part of it).".

Schedule 10, section 55 — By deleting the section.

Schedule 10 — By adding immediately after section 72—

"**72A. Register of charges**

On and after the commencement date of section 351—

(a) a register of charges kept under section 89 of the predecessor Ordinance is to be regarded as a register of charges kept under section 351(1); and

(b) a register of charges kept, by virtue of section 91 of the predecessor Ordinance, under section 89 of that Ordinance, is to be regarded as a register of charges kept under section 352(1).

72B. Notifying Registrar of place where copies of instruments creating charges are kept

Section 88(4) of the predecessor Ordinance, as in force immediately before its repeal—

(a) continues to apply in relation to an obligation of a company to send notice to the Registrar under section 88(3) of the predecessor Ordinance that arose before the commencement date of section 350; and

(b) continues to apply, by virtue of section 91 of the predecessor Ordinance as so in force, in relation to an obligation of a non-Hong Kong company registered under Part XI of the predecessor Ordinance to send notice to the Registrar under section 88(3) of the predecessor Ordinance that arose before that commencement date.

72C. Notifying Registrar of place where register of charges is kept

Section 89(4) and (5) of the predecessor Ordinance, as in force immediately before its repeal—

(a) continues to apply in relation to an obligation of a company to send notice to the Registrar under section 89(3) of the predecessor Ordinance that arose before the commencement date of section 353; and

(b) continues to apply, by virtue of section 91 of the predecessor Ordinance as so in force, in relation to an obligation of a non-Hong Kong company registered under Part XI of the predecessor Ordinance to send notice to the Registrar under section 89(3) of the predecessor Ordinance that arose before that commencement date.

72D. Right to inspect copies of instruments creating charges and register of charges

Sections 90 and 348C(3) of the predecessor Ordinance, as in force immediately before their repeal—

(a) continue to apply in relation to a request received by a company before the commencement date of section 354 for inspecting a register of charges or copies of instruments creating a charge; and

(b) continue to apply, by virtue of section 91 of the predecessor Ordinance as so in force, in relation to a request received by a non-Hong Kong company registered under Part XI of the predecessor Ordinance before that commencement date for inspecting a register of charges or copies of instruments creating a charge.".

Schedule 10, section 75(1) — By deleting "and 161B" and substituting ", 161B, 161BA and 161BB".

Schedule 10, section 75(2) — By deleting everything after "paragraph (b) of that section" and substituting "were omitted.".

Schedule 10, section 75 — By adding—

"(2A) If the Court makes an order under section 122(1B) of the predecessor Ordinance having a continuing effect under subsection (2), the accounts to be laid at the meeting concerned must be made up to the company's primary accounting reference date under section 365(1)(b).".

Schedule 10 By adding immediately after section 81—

"**81A. Register kept under section 161BB(2) of predecessor Ordinance**

On and after the commencement date of section 378A, a register kept under section 161BB(2) of the predecessor Ordinance is to be regarded as a register kept under section 378A.

81B. Right to inspect register kept under section 161BB(2) of predecessor Ordinance

Sections 161BB(5), (7) and (8) and 348C(3) of the predecessor Ordinance, as in force immediately before their repeal, continue to apply in relation to a request received by the company before the commencement date of section 378C for inspecting a register kept under section 161BB(2) of the predecessor Ordinance.

81C. Right to obtain copy of register kept under section 161BB(2) of predecessor Ordinance

Sections 161BB(6), (7) and (8) and 348C(3) of the predecessor Ordinance, as in force immediately before their repeal, continue to apply in relation to a request received by the company before the commencement date of section 378C for a copy of the register kept under section 161BB(2) of the predecessor Ordinance.".

Schedule 10, section 83 By deleting subsection (4) and substituting—

"(4) If the company mentioned in subsection (3) enters into an accounting transaction, that subsection ceases to have effect on and after the date of the accounting transaction.".

Schedule 10, section 88(2) and (4) By deleting "20" and substituting "10".

Schedule 10, section 101(5)(a) By adding "and (9)" after "600(7)".

Schedule 10, section 102(2) — By deleting "20" and substituting "10".

Schedule 10 — By adding—

"**102A. Right to inspect records of resolutions and meetings**

Sections 120(1), (3) and (4) and 348C(3) of the predecessor Ordinance, as in force immediately before their repeal—

(a) continue to apply in relation to a request received by the company before the commencement date of section 610 for inspecting the books containing the minutes of proceedings of any general meeting of the company;

(b) continue to apply, by virtue of section 116B(9) of the predecessor Ordinance as so in force, in relation to a request received by the company before the commencement date of section 610 for inspecting the record made in accordance with section 116B(7) of that Ordinance; and

(c) continue to apply, by virtue of section 116BC(4) of the predecessor Ordinance as so in force, in relation to a request received by the company before the commencement date of section 610 for inspecting the record made in accordance with section 116BC(3) of that Ordinance.

102B. Right to obtain copy of records of resolutions and meetings

Sections 120(2), (3) and (4) and 348C(3) of the predecessor Ordinance, as in force immediately before their repeal—

(a) continue to apply in relation to a request received by the company before the commencement date of section 610 for a copy of the books containing the minutes of proceedings of any general meeting of the company;

(b) continue to apply, by virtue of section 116B(9) of the predecessor Ordinance as so in force, in relation to a request received by the company before the commencement date of section 610 for a copy of the record made in accordance with section 116B(7) of that Ordinance; and

(c) continue to apply, by virtue of section 116BC(4) of the predecessor Ordinance as so in force, in relation to a request received by the company before the commencement date of section 610 for a copy of the record made in accordance with section 116BC(3) of that Ordinance.".

Schedule 10, section 103 — By deleting subsection (2).

Schedule 10, section 104(1) — By deleting "On or" and substituting "On and".

Schedule 10, section 104 — By deleting subsections (2) and (3) and substituting—

"(2) Sections 98(1), (3) and (4) and 348C(3) of the predecessor Ordinance, as in force immediately before their repeal, continue to apply in relation to a request received by the company before the commencement date of section 621 for inspecting a register of members or index of members' names.

(3) Sections 98(2), (3) and (4) and 348C(3) of the predecessor Ordinance, as in force immediately before their repeal, continue to apply in relation to a request received by the company before the commencement date of section 621 for a copy of a register of members (or any part of it).".

Schedule 10, section 105 — By deleting the section and substituting—

"**105. Inspection of register of directors and secretaries**

Sections 158(7), (8) and (9) and 348C(3) of the predecessor Ordinance, as in force immediately before their repeal, continue to apply in relation to a request received by the company before the commencement date of sections 633 and 640 for inspecting a register of directors and secretaries.".

Schedule 10, section 106 — By deleting "On or" and substituting "On and".

Schedule 10, section 107 — In the heading, by adding "**in register of directors**" after "**registered**".

Schedule 10, section 107

By deleting subsections (5), (6), (7) and (8) and substituting—

"(5) In the case of a director or reserve director of an existing company who is a natural person, the address of the company's registered office is to be regarded, on and after the commencement date of section 634, as the correspondence address of the director or reserve director.".

Schedule 10, section 107(9)

By deleting "subsections (5), (6), (7) and (8)" and substituting "subsection (5)".

Schedule 10, section 108(1)

By adding "who is deemed to be a director of the company under section 158(10)(a) of the predecessor Ordinance" after "shadow director".

Schedule 10, section 109

By deleting "On or" and substituting "On and".

Schedule 10, section 110

In the heading, by adding "**in register of company secretaries**" after "**registered**".

Schedule 10, section 110

By deleting subsections (5), (6), (7) and (8) and substituting—

"(5) In the case of a company secretary of an existing company who is a natural person, the address of the company's registered office is to be regarded, on and after the commencement date of section 641, as the correspondence address of the company secretary.".

Schedule 10, section 110(9)

By deleting "subsections (5), (6), (7) and (8)" and substituting "subsection (5)".

Schedule 10, section 114

By deleting the section and substituting—

"**114. Saving of predecessor Ordinance etc. for sanctioning arrangement or compromise**

(1) Sections 166, 166A and 167 of the predecessor Ordinance and rule 117 of the Companies (Winding-up) Rules (Cap. 32 sub. leg. H), as in force immediately before the commencement date of Division 2 of Part 13, continue to apply in relation to an arrangement or compromise if, before that commencement date, an application was made to the Court for the purposes of section 166(1) of the predecessor Ordinance for a meeting to be summoned in relation to the arrangement or compromise.

(2) Item 2(e) of Schedule 1 to the Companies (Fees and Percentages) Order (Cap. 32 sub. leg. C), as in force immediately before its repeal, continues to apply in relation to an application made under section 166 of the predecessor Ordinance having a continuing effect under subsection (1).".

Schedule 10, section 116

By deleting subsection (1) and substituting—

"(1) Section 168A of the predecessor Ordinance, as in force immediately before 15 July 2005, continues to apply in relation to a petition presented before 15 July 2005 for an order under that section 168A.".

Schedule 10, section 116

By adding—

"(3) The Companies (Winding-up) Rules (Cap. 32 sub. leg. H), as in force immediately before the commencement date of Division 2 of Part 14, continue to apply in relation to a petition presented on or after 15 July 2005, but before that commencement date, for an order under section 168A of the predecessor Ordinance.".

Schedule 10, section 124

By renumbering the section as section 124(1).

Schedule 10, section 124

By adding—

"(2) Paragraph (a) of Part III of the Eighth Schedule to the predecessor Ordinance, as in force immediately before its repeal, continues to apply in relation to an application mentioned in subsection (1), as if the reference to section 333AA(2)(c) in that paragraph were a reference to section 765(4)(a).

(3) Paragraph (aa) of Part III of the Eighth Schedule to the predecessor Ordinance, as in force immediately before its repeal, continues to apply in relation to an application mentioned in subsection (1), as if the reference to section 333 in that paragraph were a reference to section 764.".

Schedule 10, section 126

By adding—

"(3) Paragraph (a) of Part III of the Eighth Schedule to the predecessor Ordinance, as in force immediately before its repeal, continues to apply in relation to an application mentioned in subsection (1), as if the reference to section 335(3) in that paragraph were a reference to section 767(1)(b).".

Schedule 10, section 139(2)

By deleting "amendment by section 900" and substituting "repeal".

Schedule 10, Part 19

In the heading, by deleting "**Other Transitional and Saving Arrangements**" and substituting "**Transitional and Saving Arrangements for Part 20**".

Appendix I

WRITTEN ANSWER

Written answer by the Secretary for Development to Mr James TO's supplementary question to Question 5

As regards the types of information gathered by the Buildings Department (BD) during its recent inspections of the unauthorized building works (UBWs) identified in Houses 4 and 5 at No. 4 Peel Rise, as an established practice, staff of the BD will prepare detailed records of the particulars of all the UBWs identified in an inspection. The information recorded includes the location, size, general layout, conditions and description of the UBWs. Photographic records will also be made to facilitate the BD's subsequent analysis and, if applicable, investigations. The same procedures have been followed in the inspection of the UBWs found in Houses 4 and 5 at No. 4 Peel Rise.

For the floor space beneath the car-parking area of House 5, the owner is required to first submit an investigation report and a rectification proposal through the Authorized Person (AP) appointed by him to the BD for consideration. Only after receiving the consent from the BD on the rectification proposal would the owner be allowed to commence any works to rectify the situation. Up to now, the BD is still awaiting submission by the AP of the rectification proposal.