

Views on the Companies Bill:

In the Clause 380 (3) of the revised Bill, it is provided that companies (i.e., companies not fall within the reporting exemption) can be exempt from preparing a business review required by that Schedule for the financial year, as long as a special resolution is passed by the members. It implies that some large private companies, especially those with concentrated ownership, can still enjoy this exemption if consents from majority of shareholders are obtained. If the Rewrite is to enhance the corporate governance as stated in 6(c) of the Overall Policies of the Companies Ordinance Rewrite (i.e., CB(1)1522/10-11(02)) to increase greater transparency and to improve information disclosure for companies with larger extent of stakeholders, the current Clause 380 seems failing to achieve this objective. The rights of stakeholders (other than shareholders) are still not properly protected if those large private companies are controlled by concentrated ownership. I am wondering if the ownership types have been considered in this Clause.

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