



1 April 2020

Joint Statement in relation to General Meetings in light of the Prevention and Control of Disease (Prohibition on Group Gathering) Regulation

Following the HKSAR Government's introduction of the Prevention and Control of Disease (Prohibition on Group Gathering) Regulation (Cap. 599G of the Laws of Hong Kong) (the "**Regulation**"), which became effective on 29 March 2020, to promote and maintain social distancing in light of the COVID-19 pandemic¹, the Securities and Futures Commission ("**SFC**") and The Stock Exchange of Hong Kong Limited (the "**Exchange**") have consulted the HKSAR Government, which administers the Regulation, to understand how these guidelines impact corporate annual general meetings, extraordinary general meetings and special general meetings.

The prohibition on group gatherings that take place in any "public place" (as defined in the Regulation) is in effect for the "specified period" (as defined in the Regulation). The specified period is currently from midnight on 29 March 2020 until 11 April 2020.

Paragraph 11 of Schedule 1 of the Regulation ("**Paragraph 11**") exempts "any group gathering at a meeting of a body that must be held within a specified period in order to comply with any Ordinance or other regulatory instrument that governs the operation of the body or its business".

The SFC and the Exchange have consulted the HKSAR Government and understand that:-

- (a) Annual general meetings as required under the Companies Ordinance (Cap. 622) and/or the Main Board Listing Rules or the GEM Listing Rules are in general exempted under Paragraph 11.
- (b) Extraordinary general meetings and special general meetings of Hong Kong-listed issuers are exempted under Paragraph 11 if the meeting must be held within the specified period in order to comply with:-
 - (i) any law or regulation in Hong Kong or overseas that is applicable to the listed issuer or a subsidiary of the listed issuer (as part of the listed issuer's business);
 - (ii) any Main Board Listing Rules or GEM Listing Rules or The Codes on Takeovers and Mergers and Share Buy-backs;
 - (iii) the issuer's own memorandum or articles of association; or
 - (iv) other regulatory instrument.

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¹ Details of the Regulation can be found in the Government's COVID-19 dedicated webpage <https://www.coronavirus.gov.hk/eng/index.html>. See also the Q&A issued by the HKSAR Government on the Regulation https://www.coronavirus.gov.hk/eng/social_distancing-faq.html.

Notwithstanding Paragraph 11, which enables some general meetings to be held during the specified period, the SFC and the Exchange have determined that it is appropriate for listed issuers to consider the following guidelines when deciding on the timing of their general meetings and the manner in which such meetings are to be held. These factors relate to legitimate COVID-19 safety concerns and the public policy measures taken to combat the pandemic.

For the avoidance of doubt, neither the SFC nor the Exchange administers the Regulation, and listed issuers are strongly advised to seek legal advice on its applicability to their own circumstances.

Adjournment or delay

Notwithstanding Paragraph 11, listed issuers should consider whether it is possible to adjourn or delay their general meetings for a reasonable period until after the specified period has ended.

Listed issuers should consider the following:

- (i) whether the general meeting is subject to any mandatory legal or regulatory requirement on timing;
- (ii) whether any such requirement is capable of extension, waiver or other variation by way of application or otherwise; and
- (iii) whether any business to be considered at the meeting is of such urgency and importance that an adjournment or delay would, taking into account all facts and circumstances, materially harm the interests of the listed issuer and its shareholders considered as a whole.

Listed issuers are encouraged to consider a longer adjournment or delay to allow themselves more time:-

- (a) to monitor how the current situation develops in order to better decide how to manage the potential health risks of a physical meeting (if one is needed); and
- (b) to explore and assess measures permissible under the laws of their jurisdictions of incorporation and their constitutional documents to reduce the need for physical attendance, including:
 - (i) the use of technology (e.g. webcast, video conference, virtual meetings) to enable non-physical attendance and voting;
 - (ii) to encourage more shareholders to vote either by proxy or through HKSCC Nominees Limited by giving instructions to their brokers and custodians; and
 - (iii) to encourage shareholders to submit their questions to management in writing in advance of the meeting.

Management of physical meetings

Listed issuers who decide to proceed with a physical general meeting during the specified period should:-

- (a) take all practicable precautions to ensure the safety of attendees, including mandatory screening of body temperatures and use of face masks, physical distancing, no food and beverage service, no handing out of corporate gifts at the meeting; and
- (b) where possible, adopt other appropriate measures to manage the number of physical attendees, including the use of multiple meeting rooms or venues linked by telecommunication facilities to reduce the headcount at a single venue; and restricting the number of non-shareholder attendees.

A general principle of the Listing Rules is that all holders of listed securities are to be treated fairly and equally², but the rules do not impose a requirement as such on the format of general meetings. Listed issuers are reminded to comply with applicable laws of their jurisdictions of incorporation and their constitutional documents.

Shareholders Communications

To keep investors and other stakeholders informed, listed issuers that have called a general meeting during the specified period should, as soon as practicable, publish an announcement to:-

- (a) confirm whether their general meeting will proceed as scheduled during the specified period;
- (b) if applicable, explain the necessity for holding the meeting during the specified period; and
- (c) where applicable, outline the meeting arrangements and precautionary measures to be adopted to ensure compliance with the Regulation.

Listed issuers should also communicate their plans to share registrars and the Exchange as soon as practicable.

The SFC and the Exchange will continue to monitor the situation as it evolves and will issue further guidance if appropriate.

Ends

² Listing Rule 2.03