



**UNIVERSITI KUALA LUMPUR
BUSINESS SCHOOL**

**FINAL EXAMINATION
JULY 2025 SEMESTER**

COURSE CODE : EIB20803
COURSE NAME : COMPANY LAW
PROGRAMME NAME : BACHELOR OF BUSINESS ADMINISTRATION (HONS)
IN MANAGEMENT AND ENTREPRENEURSHIP
DATE : 19 SEPTEMBER 2025
TIME : 03.00 PM – 6.00 PM
DURATION : 3 HOURS

INSTRUCTIONS TO CANDIDATES

1. Please **CAREFULLY** read the instructions given in the question paper.
2. This question paper has information printed on both sides of the paper.
3. This question paper consists of **FIVE (5) Questions**.
4. Answer **FOUR (4)** questions only.
5. Please write your answers on the answer booklet provided.
6. All questions must be answered in **English** (any other language is not allowed).
7. **This question paper must not be removed from the examination hall.**

THERE ARE FIVE (5) PAGES OF QUESTIONS, EXCLUDING THIS PAGE.

SECTION A (Total: 100 marks)**INSTRUCTION: Answer FOUR (4) questions ONLY.****Please use the answer booklet provided.****Question 1**

- (a) Megah Holding Sdn Bhd is a company incorporated in Kuala Lumpur and engaged in the business of selling wood-based furniture. Its shareholders are Kumar and Alice. Based on this information, briefly explain the following:
- i. The status of Megah Holding Sdn Bhd (whether it is a public or private company), with reasons. (5 marks)
 - ii. The concept of a "Separate Legal Entity". (5 marks)
- (b) Budin is the director and majority shareholder of Zamrud Sdn Bhd. The remaining shares in the company are held equally by his two sons. Recently, Zamrud Sdn Bhd entered into a supply contract with Diamond Enterprise, agreeing to deliver a large quantity of jewellery. However, Zamrud Sdn Bhd failed to fulfil its obligations under the said contract, causing significant losses to Diamond Enterprise. Feeling aggrieved, Diamond Enterprise wishes to take legal action against Budin personally, on the basis that he is not only the director, but also the majority shareholder and effectively the owner of Zamrud Sdn Bhd. They argue that Budin should be held personally liable for the company's failure. In light of the principle of separate legal entity, advise Diamond Enterprise on whether they can successfully make Budin personally liable for the breach of contract committed by Zamrud Sdn Bhd. (15 marks)

Question 2

(a) Briefly explain the following terminologies:

i. Corporate constitution.

(5 marks)

ii. Ultra vires doctrine.

(5 marks)

(b) Fafau Sdn Bhd is a private company limited by shares. According to its constitution, any cheques or contracts executed by the company must bear the signatures of all five (5) directors. However, three (3) of the directors have become increasingly reluctant and unresponsive, causing delays in the company's operations. In response, the remaining active directors propose to amend the constitution to reduce the signing requirement from five (5) to only two (2) directors, enabling the company to function more efficiently. However, some shareholders have raised concerns about the validity of this proposed change. With reference to Section 36 of the Companies Act 2016, advise how Fafau Sdn Bhd can lawfully amend its constitution while minimising the risk of contravening statutory requirements.

(15 marks)

Question 3

(a) Briefly explain the following concepts:

i. Non-executive director.

(5 marks)

ii. The minimum number of directors in private and public companies.

(5 marks)

(b) Sazli serves as a director of Titi Emas Sdn Bhd, a private company involved in housing development projects. The board of directors authorised Sazli to negotiate a major contract with Murmur Sdn Bhd on the company's behalf. The negotiations were successful, and Murmur Sdn Bhd—pleased with the outcome—transferred RM80,000 into Sazli's personal bank account as a gift for his role in facilitating the deal. Assuming the payment was a personal reward for his professional success, Sazli did not inform Titi Emas Sdn Bhd about the money. However, the company later discovered the transaction after noticing Sazli's sudden purchase of a new Mazda car. Titi Emas Sdn Bhd now alleges that Sazli acted dishonestly as a director. Has Sazli breached his statutory and fiduciary duties under the Companies Act 2016? Advise Titi Emas Sdn Bhd accordingly.

(15 marks)

Question 4

(a) Share in one of the most important sources of capital of a company. In light of this premise, briefly describe the followings:

i. Ordinary share.

(5 marks)

ii. Preference share.

(5 marks)

(b) Alif is a shareholder of Cengal Sdn Bhd. He wishes to transfer all his shares to Boboy, a long-time acquaintance. However, upon submitting the transfer request, the board of directors rejects it, claiming that Boboy has a reputation for being difficult to work with and would not be a good fit for the company. Alif challenges the refusal, pointing out that the company's constitution expressly states: *"The directors may only exercise their discretion to refuse a transfer of shares on the ground of bankruptcy."* Alif and Boboy are not bankrupt and meet all legal and financial requirements for the transfer. Advise Alif on whether the board's refusal to register the transfer of shares to Boboy is valid under Malaysian company law.

(15 marks)

Question 5

- (a) Briefly explain the term 'Winding up' and illustrate with an example. (5 marks)
- (b) Pursuant to Section 465 of the Companies Act 2016, a company may be wound up by the court on the ground that it is 'just and equitable' to do so. With reference to decided cases, briefly discuss any four (4) situations that may justify such a winding-up order. (20 marks)

END OF EXAMINATION PAPER