



UNIVERSITI KUALA LUMPUR
BUSINESS SCHOOL

FINAL EXAMINATION
OCTOBER 2025 SEMESTER

COURSE CODE : EIB20803
COURSE TITLE : COMPANY LAW
PROGRAMME NAME : BACHELOR OF BUSINESS ADMINISTRATION (HONS) IN
MANAGEMENT AND ENTREPRENEURSHIP
DATE : 24 JANUARY 2026
TIME : 9:00AM - 12:00PM
DURATION : 3 HOURS

INSTRUCTIONS TO CANDIDATES

1. Please read the instructions given in the question paper CAREFULLY.
2. This question paper is printed on both sides of the paper.
3. This question paper consist of ONE sections.
4. Section A consist of five questions. Answer FOUR (4) questions only.
5. Please write your answer on the answer booklet provided.
6. Please answer all questions in English only.
7. Refer to the attached Formula/ Appendies. Tick if applicable

THERE ARE 5 PAGES OF QUESTIONS INCLUDING THIS PAGE

SECTION A (Total: 100 marks)

Answer FOUR (4) questions.

Please use the answer booklet provided.

Question 1

(a) Ohaiyo (M) Sdn Bhd is a company incorporated in Putrajaya and engaged in the business of serving Japanese dishes and delicacies (e.g. sushi, mochi). Its shareholders are Ahmad, Bakar, and Nizumi Nakamoto. Based on this information, briefly explain whether this company is a public or private company (with reasons), as well as the concept of "perpetual succession". (10 marks)

(b) Dato' Ezra is the director and majority shareholder of Sky Sdn Bhd ("Sky"). The remaining shares in the company are held equally by his two apprentices. In July 2025, Sky entered into a supply contract with Earth Enterprise ("Earth"), agreeing to deliver a large quantity of antique items. However, Sky failed to fulfil its obligations under the said contract, causing significant losses to Earth. Feeling aggrieved, Earth wishes to take legal action against Dato' Ezra personally, on the basis that he is the controller of Sky. Earth also wishes to sue Dato' Ezra's startup in Bukit Bintang. Earth argues that Dato' Ezra and his startup should be liable for Sky's failure. In light of the principle of separate legal entity, advise Earth on whether it can successfully hold Dato' Ezra and his startup liable for the obligations under the contract with Earth. (15 marks)

(25 marks)

Question 2

(a) Yusnida is a director of a newly established company, "Zircon Sdn Bhd". She is still clueless about a few aspects of managing an organisation such as a company. Briefly explain to her the concepts of "company constitution" and the "ultra vires doctrine". (10 marks)

(b) According to Ultron Sdn Bhd's constitution, any transactions that are required to be executed by the company must bear the signatures of all four (4) directors. However, Dato' Mirza, one of the directors, has become quite difficult to deal with and is, most of the time, unresponsive to calls and messages. This has caused delays in the company's operations. In response, the other three directors propose to amend the constitution to reduce the signing requirement from four (4) directors to only one (1) director, enabling the company to function more speedily and efficiently. However, the shareholders have raised concerns about the validity of this proposed change. In light of Section 36 of the Companies Act 2016, advise how Ultron Sdn Bhd can lawfully amend its constitution while minimising the risk of non-compliance with statutory requirements. (15 marks)

(25 marks)

Question 3

(a) Ahmad has just been appointed as a director of Phoenix Airline. He is only required to attend meetings at the company when requested. Therefore, most of his time is not spent at Phoenix Airline. Briefly explain the nature of his appointment (whether he is an executive or non-executive director). Please also explain the minimum number of directors required for private and public companies. (10 marks)

(b) Sarimah serves as a director of Benang Biru Sdn Bhd, a private company involved in producing traditional clothing. The board of directors authorised Sarimah to negotiate a major contract with Jakel Sdn Bhd on the company's behalf. The negotiations were successful, and Jakel Sdn Bhd—pleased with the outcome—transferred RM10,000 into Sarimah's personal bank account as a gift for her role in facilitating the deal. Assuming the payment was a personal reward for her professional success, Sarimah did not inform Benang Biru Sdn Bhd about the money. However, the company later discovered the transaction after noticing Sarimah's sudden change in lifestyle. Benang Biru Sdn Bhd now claims that Sarimah acted dishonestly as a director. What do you think? Has Sarimah breached her statutory and fiduciary duties under the Companies Act 2016? (15 marks)

(25 marks)

Question 4

(a) In addition to loan capital, shares are also a critical source of capital for a company. Based on this statement, briefly describe "ordinary shares" and "preference shares". (10 marks)

(b) Bean is a shareholder of Fuji Sdn Bhd. He wishes to transfer all his shares to Chiharu. However, after submitting the transfer request to the company, the board of directors rejected it, claiming that Chiharu has a bad reputation in other companies. Bean 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 insanity." Bean and Chiharu are not mentally insane and meet all legal and financial requirements for the transfer. Advise Bean on whether the board's refusal to register the transfer of shares to Chiharu is valid under Malaysian company law. (15 marks)

(25 marks)

Question 5

(a) "Company A has gone bankrupt." In the context of company law, what is the relevant legal process for such a situation? Illustrate your answer with an example. (5 marks)

(b) A company may be wound up by a court order on the ground that it is "just and equitable" to do so. With reference to Section 465 of the Companies Act 2016 and decided cases, briefly elaborate on any four (4) situations that may justify such a winding-up order. (20 marks)

(25 marks)

END OF EXAMINATION PAPER