

already lodged in pursuance of subsection 332(2), a copy of the deed or document or power of attorney referred to in that section verified in accordance with that section.

### **Transitory provision**

**334.** (1) On the lodging with the Registrar of particulars of a change or alteration in a matter referred to in paragraph 335(1)(f), the Registrar shall issue a certificate in the prescribed form under his hand and seal, which certificate shall be *prima facie* evidence in all courts of the particulars mentioned in the certificate.

(2) Nothing in this Division shall require a foreign company which was registered under any of the repealed written laws immediately before the commencement of this Act as a foreign company to register pursuant to this Division but such a company shall comply with paragraphs 332(1)(d) and (f) within one month after the commencement of this Act.

### **Return to be filed where documents, etc., altered**

**335.** (1) Where any change or alteration is made in—

- (a) the charter, statutes, memorandum or articles of the foreign company or other instrument lodged with the Registrar;
- (b) the directors of the foreign company or in the name or address of any director;
- (c) the agent or agents of the foreign company or in the name or address of any agent;
- (d) the situation of the registered office of the foreign company in Malaysia or of the days or hours during which it is open and accessible to the public;
- (e) the address of the registered office of the foreign company in its place of incorporation or origin;
- (f) the name of the foreign company; or
- (g) the powers of any directors resident in Malaysia who are members of the local board of directors of the foreign company,

the foreign company shall, within one month or within such further period as the Registrar in special circumstances allows after the change or alteration, lodge with the Registrar particulars of the change or alteration and such documents as the regulations require.

### **Second Schedule fee payable**

(1A) Upon receipt of the aforesaid particulars of the change or alteration the Registrar shall subject to this Act register the change or alteration.

(2) If a foreign company increases its authorized share capital it shall, within one month or within such further period as the Registrar in special circumstances allows after the increase, lodge with the Registrar notice of the amount from which and of the amount to which it has been so increased.

(3) If a foreign company not having a share capital increases the number of its members beyond the registered number it shall, within one month or within such further period as the Registrar in special circumstance allows after the increase was resolved on or took place, lodge with the Registrar notice of the increase.

(4) If any order is made by a Court under any law in force in the country in which a foreign company is incorporated which corresponds to section 176 the company shall, within one month or within such further period as the Registrar in special circumstances allows after the order was made, lodge with the Registrar an office copy of that order.

### **Balance sheets**

**336.** (1) Subject to this section a foreign company shall, within two months of its annual general meeting, lodge with the Registrar a copy of its balance sheet made up to the end of its last financial year in such form and containing such particulars and accompanied by copies of such documents as the company is required to annex, attach or send with its balance sheet by the law for the time being applicable to that company in the place of its incorporation or origin, together with a statutory declaration in the prescribed form verifying that the copies are true copies of the documents so required.

(2) The Registrar may, if he is of the opinion that the balance sheet and other documents referred to in subsection (1) do not sufficiently disclose the company's financial position, require the company to lodge a balance sheet within such period, in such form and containing such particulars and to annex thereto such documents as the Registrar by notice in writing to the company requires, but this subsection does not authorize the Registrar to require a balance sheet to contain any particulars or the company to annex, attach or to send any documents that would not be required to be furnished if the company were a public company incorporated under this Act.

(3) The company shall comply with the requirements set out in the notice.

(4) Where a foreign company is not required by the law of the place of its incorporation or origin to hold an annual general meeting and prepare a balance sheet, the company shall prepare and lodge with the Registrar a balance sheet within such period, in such form and containing such particulars and to annex thereto such documents as the directors of the company would have been required to prepare or obtain if the company were a public company incorporated under this Act.

(5) In addition to the balance sheet and other documents required to be lodged with the Registrar by subsections (1) to (4), a foreign company shall lodge with the Registrar with the balance sheet and other documents a duly audited statement showing its assets used in and liabilities arising out of its operations in Malaysia as at the date to which its balance sheet was made up and a duly audited profit and loss account which, so far as is practicable, complies with the requirements of the Ninth Schedule and which gives a true and fair view of the profit or loss arising out of the company's operations in Malaysia for the last preceding financial year of the company:

Provided that—

- (a) the company shall be entitled to make such apportionments of expenses incurred in connection with operations or administration affecting both Malaysia and elsewhere and to add such notes and explanations as in its opinion are necessary or desirable in order to give a true and fair view of the profit or loss of its operations in Malaysia; and

- (b) the Registrar may waive compliance with this subsection in relation to any foreign company if he is satisfied that—
- (i) it is impractical to comply with this subsection having regard to the nature of the company's operations in Malaysia;
  - (ii) it would be of no real value having regard to the amount involved;
  - (iii) it would involve expense unduly out of proportion to its value; or
  - (iv) it would be misleading or harmful to the business of the company or to any company which is deemed by virtue of section 6 to be related to the company.

(6) A statement and profit and loss account shall be deemed to have been duly audited for the purposes of subsection (5) if it is accompanied by a report by an approved company auditor which complies with section 174 and accompanied by a statutory declaration by the agent or, where the agent is not primarily responsible for the financial management of the company, by the person so responsible setting forth his opinion as to the correctness or otherwise of the statement and profit and loss account.

(7) *(Deleted by Act A836).*

### **Accounts to be kept by foreign companies**

**336A.** (1) Every foreign company and the directors and managers thereof shall cause to be kept such accounting and other records in Malaysia as will sufficiently explain the transactions and financial position of the foreign company (arising out of its operations in Malaysia) and shall cause those records to be kept in such a manner as to enable them to be conveniently and properly audited.

(1A) The records referred to in subsection (1) shall be audited by a person approved under section 8.

(2) Every foreign company and the directors and managers thereof shall cause appropriate entries to be made in the accounting and other records within sixty days of the completion of the transactions to which they relate.

(3) Subsections 167(2), (3), (6) and (7) shall apply to foreign companies as if for references to “company” there were substituted references to “foreign company” .

**As to fee payable on registration of foreign company because of establishment of a share register in Malaysia**

**337.** (1) Where, on the registration of a company as a foreign company or on the lodging by a foreign company of a notice under subsection 335(2), the Registrar certifies in writing that he is satisfied that the company has established in Malaysia a share transfer or share registration office but has not otherwise carried on, is not otherwise carrying on and does not propose otherwise to carry on business in Malaysia, the liability to pay such part, if any, of the fee payable under item 18 or 19 of the Second Schedule in respect of the registration or the lodging of the notice as exceeds one thousand ringgit is, by force of this section, suspended until the company commences otherwise to carry on business in Malaysia or fails to comply with subsection (2), whichever first occurs, but thereupon the company is liable to pay to the Registrar that part of that fee.

(2) A company shall, so long as a suspension under subsection (1) of liability to pay a fee in respect of the company continues, lodge with the Registrar in each year at the time when a copy of its balance sheet is lodged with the Registrar a notice in the prescribed form containing the prescribed particulars with respect to the business being carried on in Malaysia by the company.

(3) Where a foreign company in respect of which the Registrar has issued a certificate under subsection (1) commences to carry on business in Malaysia otherwise than by reason of establishing or using a share transfer or share registration office, the company shall, within fourteen days after so commencing, lodge with the Registrar notice thereof in the prescribed form.

**Obligation to state name of foreign company, whether limited, and place where incorporated**

**338.** (1) A foreign company shall—

- (a) conspicuously exhibit outside its registered office and every place of business established by it in Malaysia in romanised letters its name and the place where it is formed or incorporated;

- (b) cause its name, company number and the place where it is formed or incorporated to be stated in legible romanised letters on all its bill-heads and letter paper and in all its notices, prospectuses and other official publications; and
- (c) if the liability of its members is limited (unless the last word of its name is the word “Berhad” or “Limited” or the abbreviation “Bhd.” or “Ltd.”), cause notice of that fact—
  - (i) to be stated in legible characters in every prospectus issued by it and in all its bill-heads, letter paper, notices, and other official publications in Malaysia; and
  - (ii) except in the case of a banking corporation, to be exhibited outside its registered office and every place of business established by it in Malaysia.

(2) Where the name of a foreign company is indicated on the outside of its registered office or any place of business established by it in Malaysia or on any of the documents referred to in subsection (1) in characters or in any other way than by the use of romanised letters, the provisions of this section relating to the exhibition or statement of its name shall be deemed not to have been complied with unless the name of the company is exhibited outside its office or place of business or stated on the document in romanised letters not less large than any of the characters so exhibited or stated on the relevant office, place of business or document.

(3) In this section, “company number” means the number allocated by the Registrar to a foreign company on its registration.

### **Service of notice**

**339.** Any document required to be served on a foreign company shall be sufficiently served—

- (a) if addressed to the foreign company and left at or sent by post to its registered office in Malaysia;
- (b) if addressed to an agent of the company and left at or sent by post to his registered address; or

- (c) in the case of a foreign company which has ceased to maintain a place of business in Malaysia if addressed to the foreign company and left at or sent by post to its registered office in the place of its incorporation.

### **Cesser of business in Malaysia**

**340.** (1) If a foreign company ceases to have a place of business or to carry on business in Malaysia, it shall, within seven days after so ceasing, lodge with the Registrar notice of that fact, and as from the day on which the notice is so lodged its obligation to lodge any document (not being a document that ought to have been lodged before that day) with the Registrar shall cease, and the Registrar shall, upon the expiration of twelve months after lodging of the notice, remove the name of that foreign company from the register.

(2) If a foreign company goes into liquidation or is dissolved in its place of incorporation or origin—

- (a) each person who, immediately prior to the commencement of the liquidation proceedings, was an agent shall, within one month after the commencement of the liquidation or the dissolution or within such further time as the Registrar in special circumstances allows, lodge or cause to be lodged with the Registrar notice of that fact and, when a liquidator is appointed, notice of his appointment; and
- (b) the liquidator shall, until a liquidator for Malaysia is duly appointed by the Court, have the powers and functions of a liquidator for Malaysia.

(3) A liquidator of a foreign company appointed for Malaysia by the Court or a person exercising the powers and functions of such a liquidator—

- (a) shall, before any distribution of the foreign company's assets is made, by advertisement in a newspaper circulating generally in each country where the foreign company had been carrying on business prior to the liquidation if no liquidator has been appointed for that place, invite all creditors to make their claims against the foreign company within a reasonable time prior to the distribution;

- (b) shall not, without obtaining an order of the Court except as otherwise provided in subsection (7), pay out any creditor to the exclusion of any other creditor of the foreign company; and
- (c) shall, unless otherwise ordered by the Court, only recover and realize the assets of the foreign company in Malaysia and shall, subject to subsection (7), pay the net amount so recovered and realized to the liquidator of that foreign company for the place where it was formed or incorporated after paying any debts and satisfying any liabilities incurred in Malaysia by the foreign company.

(4) Where a foreign company has been wound up, so far as its assets in Malaysia are concerned and there is no liquidator for the place of its incorporation or origin, the liquidator may apply to the Court for directions as to the disposal of the net amount recovered in pursuance of subsection (3).

(5) On receipt of a notice from an agent that the company has been dissolved the Registrar shall remove the name of the company from the register.

(6) Where the Registrar has reasonable cause to believe that a foreign company has ceased to carry on business or to have a place of business in Malaysia, the provisions of this Act relating to the striking off the register of the names of defunct companies shall, with such adaptations as are necessary, extend and apply accordingly.

(7) Section 292 shall apply to a foreign company wound up or dissolved pursuant to this section as if for references to a company there were substituted references to a foreign company.

### **Restriction on use of certain names**

**341.** (1) Except with the consent of the Minister, a foreign company shall not be registered by a name that, in the opinion of the Registrar, is undesirable or is a name, or a name of a kind, that the Minister has directed the Registrar not to accept for registration.

(2) Except with the consent of the Minister, any change in the name of a foreign company shall not be registered if in the opinion of the Registrar the new name of the company is undesirable or

is a name, or a name of a kind, that the Minister has directed the Registrar not to accept for registration, notwithstanding that particulars of the change have been lodged in accordance with section 335.

(3) No foreign company to which this Division applies shall use in Malaysia any name other than that under which it is registered under this Division.

(4) If default is made in complying with subsection (3) the foreign company, every officer of the company who is in default and every agent of the company who knowingly and wilfully authorizes or permits the default shall be guilty of an offence against this Act.

Penalty: \*Two thousand ringgit. Default penalty.

### **The branch register**

**342.** (1) Subject to this section, a foreign company which has a share capital and has any member who is resident in Malaysia, shall keep at its registered office in Malaysia or at some other place in Malaysia a branch register for the purpose of registering shares of members resident in Malaysia who apply to have the shares registered therein.

(2) The company shall not be obliged to keep a branch register pursuant to subsection (1) until after the expiration of two months from the receipt by it of an application in writing by a member resident in Malaysia for registration in its branch register in Malaysia of the shares held by the member.

(3) If default is made in complying with subsection (1) the foreign company, every officer of the company who is in default and every agent of the company who knowingly and wilfully authorizes or permits the default shall be guilty of an offence against this Act.

Penalty: Two hundred and fifty ringgit. Default penalty.

(4) This section shall not apply to any foreign company which by its constitution prohibits any invitation to the public to subscribe for shares in the company.

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\*NOTE—Previously “Five hundred ringgit”—see Companies (Amendment) Act 1986 [Act A657].

(5) Every such register as aforesaid shall be kept in the manner provided by Division 4 of Part V as though the register were the register of a company and transfers shall be effected on the register in the same manner and at the same charges as on the principal register of the company and transfer lodged at its registered office in Malaysia shall be binding on the company and the Court shall have the same powers in relation to rectification of the register as it has in respect of the register of a company incorporated in Malaysia.

(6) Where a foreign company opens a branch register in Malaysia it shall, within fourteen days after the opening thereof, lodge with the Registrar notice of that fact specifying the address where the register is kept.

(7) Where any change is made in the place where the register is kept or where the register is discontinued the company shall, within fourteen days of the change or discontinuance, lodge notice of the change or discontinuance with the Registrar.

(8) Where a company or corporation is entitled pursuant to a law of the place of incorporation of a foreign company corresponding with section 180 to give notice to a dissenting shareholder in that foreign company that it desires to acquire any of his shares registered on a branch register kept in Malaysia, this section shall cease to apply to that foreign company until—

- (a) the shares have been acquired; or
- (b) that company or corporation has ceased to be entitled to acquire the shares.

### **Registration of shares in branch register**

**343.** Subject to this Act, on application in that behalf by a member resident in Malaysia, the foreign company shall register in a branch register of the company the shares held by a member which are registered in any other register kept by the company.

### **Removal of shares from branch register**

**344.** Subject to this Act, on application in that behalf by a member holding shares registered in a branch register, the foreign company shall remove the shares from the branch register and register them in such other register within Malaysia as is specified in the application.

**Index of members, inspection and closing of branch registers**

**345.** Sections 158, 159 and 160 shall, with such adaptations as are necessary, apply respectively to the index of persons holding shares in a branch register and to the inspection and the closing of the register.

**Application of provisions of Act relating to transfer**

**346.** Sections 103 and 104, subsections 105(1), 107(1) and (3) and section 162 shall apply with necessary adaptations with respect to the transfer of shares on and the rectification of the branch register of a foreign company.

**Branch register to be *prima facie* evidence**

**347.** A branch register shall be *prima facie* evidence of any matters by this Division directed or authorized to be inserted therein.

**Certificate, *re* share holding**

**348.** A certificate under the seal of a foreign company specifying any shares held by any member of that company and registered in the branch register shall be *prima facie* evidence of the title of the member to the shares and the registration of the shares in the branch register.

**Penalties**

**349.** If default is made by any foreign company in complying with any provision of this Division other than a provision in which a penalty or punishment is expressly mentioned, the company and every officer of the company who is in default and every agent of the company who knowingly and wilfully authorizes or permits the default shall be guilty of an offence against this Act.

Penalty: \*One thousand ringgit. Default penalty.

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\*NOTE—Previously “two hundred and fifty ringgit”—see Companies (Amendment) Act 1986 [Act A657].

## PART XII

## GENERAL

## DIVISION 1

## ENFORCEMENT OF ACT

**Service of documents on company**

**350.** A document may be served on a company by leaving it at or sending it by registered post to the registered office of the company.

**Security for costs**

**351.** (1) Where a company is plaintiff in any action or other legal proceeding the court having jurisdiction in the matter may, if it appears by credible testimony that there is reason to believe that the company will be unable to pay the costs of the defendant if successful in his defence, require sufficient security to be given for those costs and stay all proceedings until the security is given.

**Costs**

(2) The costs of any proceeding before a court under this Act shall be borne by such party to the proceeding as the court may, in its discretion, direct.

**As to rights of witnesses to legal representation**

**352.** Any person summoned for examination under Part IX or under section 249 or 250 may at his own cost employ an advocate who shall be at liberty to put to him such questions as the inspector, Court, Sessions Court Judge or magistrate deems just for the purpose of enabling him to explain or qualify any answers given by him.

**Disposal of shares of shareholder whose whereabouts unknown**

**353.** (1) Where by the exercise of reasonable diligence a company is unable to discover the whereabouts of a shareholder for a period of not less than ten years the company may cause an advertisement

to be published in a newspaper circulating in the place shown in the register of members as the address of the shareholder stating that the company after the expiration of one month from the date of the advertisement intends to transfer the shares to the Minister charged with responsibility for finance.

(2) If after the expiration of one month from the date of the advertisement the whereabouts of the shareholder remain unknown, the company may transfer the shares held by the shareholder in the company to the Minister charged with responsibility for finance and for that purpose may execute for and on behalf of the owner a transfer of those shares to the Minister charged with responsibility for finance.

(3) The Minister shall sell or dispose of any shares so received in such manner and at such time as he thinks fit and shall deal with the proceeds of the sale or disposal as if they were moneys paid to him pursuant to the law relating to unclaimed moneys.

### **Power to grant relief**

**354.** (1) If in any proceeding for negligence, default, breach of duty or breach of trust against a person to whom this section applies it appears to the Court before which the proceedings are taken that he is or may be liable in respect thereof but that he has acted honestly and reasonably and that, having regard to all the circumstances of the case including those connected with his appointment, he ought fairly to be excused for the negligence, default or breach the court may relieve him either wholly or partly from his liability on such terms as the Court thinks fit.

(2) Where any person to whom this section applies has reason to apprehend that any claim will or might be made against him in respect of any negligence, default, breach of duty or breach of trust he may apply to the Court for relief, and the Court shall have the same power to relieve him as under this section it would have had if it had been a Court before which proceedings against him for negligence, default, breach of duty or breach of trust had been brought.

(3) The persons to whom this section applies are—

(a) officers of a corporation;

- (b) persons employed by a corporation as auditors, whether they are or are not officers of the corporation;
- (c) experts within the meaning of this Act; and
- (d) any persons who are receivers, receivers and managers or liquidators appointed or directed by the Court to carry out any duty under this Act in relation to a corporation and all other persons so appointed or so directed.

### **Irregularities in proceedings**

**355.** (1) No proceeding under this Act shall be invalidated by any defect, irregularity or deficiency of notice or time unless the Court is of opinion that substantial injustice has been or may be caused thereby which cannot be remedied by any order of the Court.

(2) The Court may if it thinks fit make an order declaring that the proceeding is valid notwithstanding any such defect, irregularity or deficiency.

(3) Without affecting the generality of subsections (1) and (2) or of any other provision of this Act, where any omission, defect, error or irregularity (including the absence of a quorum at any meeting of the company or of the directors) has occurred in the management or administration of a company whereby any breach of this Act has occurred, or whereby there has been default in the observance of the memorandum or articles of the company or whereby any proceedings at or in connection with any meeting of the company or of the directors thereof or any assemblage purporting to be such a meeting have been rendered ineffective including the failure to make or lodge any declaration of solvency pursuant to section 257, the Court—

- (a) may, either of its own motion or on the application of any interested person, make such order as it thinks fit to rectify or cause to be rectified or to negative or modify or cause to be modified the consequences in law of any such omission, defect, error or irregularity, or to validate any act, matter or thing rendered or alleged to have been rendered invalid by or as a result of any such omission, defect, error or irregularity;

- (b) shall, before making any such order, satisfy itself that such an order would not do injustice to the company or to any member or creditor thereof,
- (c) where any such order is made, may give such ancillary or consequential directions as it thinks fit; and
- (d) may determine what notice or summons is to be given to other persons of the intention to make any such application or of the intention to make such an order, and whether and how it should be given or served and whether it should be advertised in any newspaper.

(4) The Court (whether the company is in process of being wound up or not) may enlarge or abridge any time for doing any act or taking any proceeding allowed or limited by this Act upon such terms, if any, as the justice of the case may require and any such enlargement may be ordered although the application for the same is not made until after the time originally allowed or limited.

### **Privileged communications**

**356.** No inspector appointed under this Act shall require disclosure by an advocate of any privileged communication made to him in that capacity, except as respects the name and address of his client.

**357.** (*Deleted by Act A836*).

### **Form of registers, etc.**

**358.** (1) For the purposes of this Act any register, index, minute book or book of account may be kept either by making entries in a bound book or by recording the matters in question in any other permanent manner.

(2) Where any register, index, minute book or book of account required by this Act to be kept is not kept by making entries in a bound book, but by some other means—

- (a) reasonable precautions shall be taken for guarding against falsification and for facilitating the discovery of any falsification; and

- (b) proper facilities shall be provided to enable the register, index, minute book or book of account to be inspected,

and where default is made in complying with this subsection the company and every officer of the company who is in default shall be guilty of an offence against this Act.

Penalty: \*Two thousand ringgit. Default penalty.

### **Use of computers and other means for company records**

**358A.** (1) The power conferred on a company by section 358 to keep a register and other records by recording the matters in question otherwise than by making entries in bound books includes the power to keep the register or other record (other than the minute books kept pursuant to section 156) by recording those matters in question otherwise than in a legible form, so long as the recording is capable of being reproduced in a legible form.

(2) Any provision of an instrument made by a company before the commencement of this Act which requires a register of holders of debentures of the company to be kept in a legible form shall be construed as requiring the register to be kept in a legible or non-legible form, provided, however, that a register kept in a non-legible form shall be capable of being reproduced in a legible form.

(3) If any such register or other record of a company is kept by the company by recording the matters in question otherwise than in a legible form, any duty imposed on the company by this Act to allow inspection of, or to furnish a copy of, the register of other record or any part of it, shall be treated as a duty to allow inspection of, or furnish, a reproduction of the recording or of the relevant part of it in a legible form.

### **Inspection of registers**

**359.** (1) Any register, minute book or document of a corporation which is by this Act required to be available for inspection shall, subject to and in accordance with this Act, be available for inspection at the place where in accordance with this Act it is kept during the hours in which the registered office of the corporation is accessible to the public.

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\*NOTE—Previously “two hundred and fifty ringgit”—see Companies (Amendment) Act 1985 [Act A616].

(2) Any person permitted by this Act to inspect any register, minute book or document of a corporation may make copies of or take extracts from it and any officer of the corporation who fails to allow any person so permitted to make a copy of or take extracts from the register, minute book or documents, as the case may be, shall be guilty of an offence against this Act.

### **Translations of instruments**

**360.** (1) Where under this Act a corporation is required to lodge with the Registrar any instrument, certificate, contract or document or a certified copy thereof and the same is not written in the national language or in English the corporation shall lodge at the same time with the Registrar a certified translation thereof either in the national language or in English.

(2) Where under this Act a corporation is required to make available for public inspection any instrument, certificate, contract or document and the same is not written in the national language or in English the corporation shall keep at its registered office in Malaysia a certified translation thereof either in the national language or in English.

(3) Where any accounts, minute books or other records of a corporation required by this Act to be kept are not kept in the national language or in English, the directors of the corporation shall cause a true translation of such accounts, minute books and other records to be made from time to time at intervals of not more than seven days and shall cause such translations to be kept with the original accounts, minute books and other records for so long as the original accounts, minute books and other records are required by this Act to be kept.

(4) Notwithstanding subsections (1), (2) and (3) the Registrar may require any company to file any instrument, certificate, contract or document including any accounts, minute books or other records of a corporation or a certified copy thereof in the national language.

### **Certificate of incorporation conclusive evidence**

**361.** A certificate of incorporation under the hand and seal of the Registrar shall be conclusive evidence that all the requirements of this Act in respect of registration and of matters precedent and

incidental thereto have been complied with, and that the company referred to therein is duly incorporated under this Act.

### **Court may compel compliance**

**362.** (1) If any person in contravention of this Act refuses or fails to permit the inspection of any register, minute book or document or to supply a copy of any register, minute book or document the Court may by order compel an immediate inspection of the register, minute book or document or order the copy to be supplied.

(2) If any officer or former officer of a company has failed or omitted to do any act, matter or thing which by or under this Act he is or was required or directed to do, the Court on the application of the Registrar or any member of the company or the Official Receiver or liquidator may by order require that officer or former officer to do the act, matter or thing forthwith or within such time as is allowed by the order, and for the purpose of complying with any such order a former officer shall be deemed to have the same status, powers and duties as he had at the time the act, matter or thing should have been done.

#### DIVISION 2

#### OFFENCES

### **Restriction on offering shares, debentures, *etc.*, for subscription or purchase**

**363.** (1) A person shall not, whether by appointment or otherwise, go from place to place—

- (a) offering shares for subscription or purchase to the public or any member of the public; or
- (b) seeking or receiving offers to subscribe for or to purchase shares from the public or from any member of the public:

Provided that this section shall not apply to an offer for subscription or purchase or invitation to subscribe for or purchase or recommendation to which the Securities Commission Act 1993 applies.

(2) Subsection (1) shall not apply in the case of the shares of any corporation which, after notice of intention in the form prescribed to apply for exemption from subsection (1) has been advertised in a newspaper circulating generally throughout Malaysia, has applied to the Yang di-Pertuan Agong for exemption and the application has on the recommendation of the Minister been granted, but the exemption may at any time be revoked by order of the Yang di-Pertuan Agong.

(3) A person shall not make an offer to the public or to any member of the public (not being a person whose ordinary business it is to buy or sell shares, whether as principal or agent) of any shares for purchase.

(4) Subsection (3) shall not apply—

- (a) where the shares to which the offer relates are shares of a class which are quoted on, or in respect of which permission to deal has been granted by, any prescribed Stock Exchange and the offer so states and specifies the Stock Exchange;
- (b) where the shares to which the offer relates are shares which a corporation has allotted or agreed to allot with a view to their being offered for sale to the public and the offer is accompanied by a document that complies with all enactments and rules of law as to prospectuses;
- (c) to any application for shares in or debentures of a corporation or to any invitation to deposit money with or lend money to a corporation which is issued, circulated, distributed or made subject to and in accordance with Division 1 of Part IV in accordance with the provisions of Division 3 of Part IV of the Securities Commission Act 1993;
- (d) where the offer relates to—
  - (i) an interest to which Division 5 of Part IV applies and is accompanied by a statement in writing as required by that Division; or
  - (ii) deposits or loans to a corporation of the kind referred to in subsection 38(6); or

(e) to any advice as to the price at which a management company is prepared to buy or sell any interest to which Division 5 of Part IV applies given or sent by the management company to any person to whom the management company has given or sent a statement in writing relating to that interest which complies with that Division within the period of six months immediately preceding the giving or sending of the advice.

(5) Every person who acts, or incites, causes or procures any person to act, in contravention of this section shall be guilty of an offence against this Act.

Penalty: Imprisonment for \*ten years or two hundred and fifty thousand ringgit or both.

(6) Where a person convicted of an offence under this section is a corporation, every officer concerned in the management of the corporation shall be guilty of the like offence unless he proves that the act constituting the offence took place without his knowledge or consent.

(7) Where any person is convicted of having made an offer in contravention of this section, the court before which he is convicted may order that any contract made as a result of the offer shall be void and may give such consequential directions as it thinks proper for the repayment of any money or the retransfer of any shares; and an appeal against the order and any consequential directions shall lie to the Court.

(8) Subject to this section a person shall not make any oral invitation or offer to the public or to any member of the public to subscribe for or to purchase shares.

(9) In this section—

“shares” means shares of a corporation whether a corporation in existence or to be formed and includes debentures and units and (without affecting the generality of the expression “debentures”) all such documents (including those referred to as “bonds”) as confer or purport to confer on the holder thereof any claim against a corporation, whether the claim is present or future or certain or contingent or ascertained or sounding only in damages and also includes any interest to which Division 5 of Part IV applies.

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\*NOTE—Previously “five years or thirty thousand ringgit”—see Companies (Amendment) (No. 2) Act 1992 [Act A836].

(10) In this section a reference to an offer or offering of shares for subscription or purchase or for purchase shall be construed as including an offer of shares by way of barter or exchange and a reference to an offer of shares shall be construed as including an offer by means of broadcasting, television or cinematograph; but where an offer is made by means of broadcasting, television or cinematograph the prospectus by which the offer is required to be accompanied by virtue of this section shall be deemed to accompany the offer if—

- (a) the prospectus is prepared by the person on whose behalf the offer is made;
- (b) the public are informed at the same time and by the same means as that by which the offer is made that a copy of the prospectus will be supplied on request being made at a specified address;
- (c) where request for a copy of a prospectus is made at that address within one month after the offer was made the person making the request is supplied with a copy within seven days after the request was made; and
- (d) the offer contains no more information or matter than the information or matter referred to in paragraphs 40(1)(a) to (f).

(11) For the purposes of subsection (1) a person shall not in relation to a corporation be regarded as not being a member of the public by reason only that he is a holder of shares in the corporation or a purchaser of goods from the corporation.

### **False and misleading statements**

**364.** (1) Every corporation which advertises, circulates or publishes any statement of the amount of its capital which is misleading or in which the amount of nominal or authorized capital is stated without the words “nominal” or “authorized”, or in which the amount of capital or authorized or subscribed capital is stated but the amount of paid-up capital or the amount of any charge on uncalled capital is not stated as prominently as the amount of authorized or subscribed capital is stated, and every officer of the corporation who knowingly authorizes, directs or consents to the advertising, circulation or publication shall be guilty of an offence against this Act.

(2) Every person who in any return, report, certificate, balance sheet or other document required by or for the purposes of this Act makes or authorizes the making of a statement false or misleading in any material particular knowing it to be false or misleading or intentionally omits or authorizes the omission or accession of any matter or thing thereby making the document misleading in a material respect shall be guilty of an offence against this Act.

Penalty: Imprisonment for \*ten years or two hundred and fifty thousand ringgit or both.

(3) For the purposes of subsection (2) where a person at a meeting votes in favour of the making of a statement referred to in that subsection knowing it to be false, he shall be deemed to have authorized the making of that statement.

### **False reports**

**364A.** (1) An officer of a corporation who, with intent to deceive, makes or furnishes or knowingly and wilfully authorizes or permits the making or furnishing of, any false or misleading statement or report to—

- (a) a director, auditor, member, debenture holder or trustee for debenture holders of the corporation;
- (b) in the case of a corporation that is a subsidiary, an auditor of the holding company;
- (c) a prescribed Stock Exchange whether within or without Malaysia or an officer thereof; or
- (d) the Securities Commission established under the Securities Commission Act 1993 [Act 498],

relating to the affairs of the corporation shall be guilty of an offence against this Act.

Penalty: Imprisonment for \*ten years or two hundred and fifty thousand ringgit or both.

(2) In subsection (1) “officer” includes a person who at any time has been an officer of the corporation.

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\*NOTE—Previously “five years or thirty thousand ringgit”—see Companies (Amendment) (No. 2) Act 1992 [Act A836].

**Dividends payable from profits only**

**365.** (1) No dividend shall be payable to the shareholders of any company except out of profits or pursuant to section 60.

(1A)-(1D) (*Deleted by Act A1081*).

(2) Every director or manager of a company who wilfully pays or permits to be paid any dividend out of what he knows is not profits except pursuant to section 60—

- (a) shall without prejudice to any other liability be guilty of an offence against this Act; and
- (b) shall also be liable to the creditors of the company for the amount of the debts due by the company to them respectively to the extent by which the dividends so paid have exceeded the profits and that amount may be recovered by the creditors or the liquidator suing on behalf of the creditors.

Penalty: Imprisonment for \*ten years or two hundred and fifty thousand ringgit or both.

(3) If the whole amount is recovered from one director or from the manager he may recover contribution against any other person liable who has directed or consented to the payment.

(4) No liability by this section imposed on any person shall on the death of the person extend or pass to his executors or administrators nor shall the estate of any such person after his decease be made liable under this section.

(5) In this section “dividend” includes bonus and payment by way of bonus.

**Fraudulently inducing persons to invest money**

**366.** (1) Any person who, by any statement, promise or forecast which he knows to be misleading, false or deceptive or by any dishonest concealment of material facts or by the reckless making of any statement, promise or forecast which is misleading, false

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\*NOTE—Previously “three years or ten thousand ringgit”—*see* Companies (Amendment) (No. 2) Act 1992 [Act A836].

or deceptive, induces or attempts to induce another person to enter into or offer to enter into—

- (a) any agreement for or with a view to acquiring, disposing of, subscribing in or underwriting marketable securities or lending or depositing money to or with any corporation; or
- (b) any agreement the purpose or pretended purpose of which is to secure a profit to any of the parties from the yield of marketable securities or by reference to fluctuations in the value of marketable securities,

shall be guilty of an offence against this Act.

Penalty: Imprisonment for ten years or \*two hundred and fifty thousand ringgit or both.

### **Conspiracy**

(2) Any person guilty of conspiracy to commit any offence against subsection (1) shall be punishable as if he had committed such an offence.

### **Obtaining payment of money, etc., to company by false promise of director, member, etc., of company**

(3) Whosoever being an officer or agent of any corporation by any deceitful means or false promise and with intent to defraud, causes or procures any money to be paid or any chattel or marketable security to be delivered to that corporation or to himself or any other person for the use of benefit or on account of that corporation shall be guilty of an offence against this Act.

Penalty: Imprisonment for seven years or thirty thousand ringgit or both.

### **Evidence of financial position of company**

(4) Upon the trial of a charge for any offence against this section the opinion of any properly qualified auditor or accountant as to the financial position of any company at any time or during any period in respect of which he has made an audit or examination of the affairs of the company according to recognized audit practice

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\*NOTE—Previously “fifty thousand ringgit”—see Companies (Amendment) (No. 2) Act 1992 [Act A836].

shall be admissible either for the prosecution or for the defence as evidence of the financial position of the company at that time or during that period notwithstanding that the opinion is based in whole or in part on book-entries, documents or vouchers or on written or verbal statements by other persons.

### **Penalty for improper use of words “Limited” and “Berhad”**

**367.** (1) If any person carries on business under any name or title of which “*Berhad*” or any abbreviation thereof or “Limited” or any abbreviation thereof is the final word or abbreviation the person shall, unless duly incorporated with limited liability be guilty of an offence against this Act.

Penalty: \*Imprisonment for three years or fifty thousand ringgit or both. Default penalty.

### **Restriction on use of word “Sendirian”**

(2) A company shall not use the word “*Sendirian*” or any abbreviation thereof as part of its name if it does not fulfil the requirements required by this Act to be fulfilled by private companies.

(3) Every company and every officer of a company who is in default shall be guilty of an offence against this Act.

Penalty: \*Imprisonment for three years or fifty thousand ringgit or both. Default penalty.

(4) Subject to section 35 and for the purpose of this section “carrying on business” includes the use of any name or title of which “*Berhad*” or “Limited” or the word “*Sendirian*” or any abbreviation thereof is part of the name or title in any documents, books or publication.

### **Frauds by officers**

**368.** Every person who while an officer of a company—

- (a) has by deceitful or fraudulent or dishonest means or by means of any other fraud induced any person to give credit to the company;

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\*NOTE—Previously “two thousand five hundred ringgit”—see Companies (Amendment) (No. 2) Act 1992 [Act A836].

- (b) with intent to defraud creditors of the company, has made or caused to be made any gift or transfer of or charge on, or has caused or connived at the levying of any execution against, the property of the company; or
- (c) with intent to defraud creditors of the company, has concealed or removed any part of the property of the company since or within two months before the date of any unsatisfied judgment or order for payment of money obtained against the company,

shall be guilty of an offence against this Act.

Penalty: Imprisonment for \*ten years or two hundred and fifty thousand ringgit or both.

### General penalty provisions

**369.** (1) A person who—

- (a) does that which by or under this Act he is forbidden to do;
- (b) does not do that which by or under this Act he is required or directed to do; or
- (c) otherwise contravenes or fails to comply with any provision of this Act,

shall be guilty of an offence against this Act.

(2) A person who is guilty of an offence against this Act shall be liable on conviction to a penalty or punishment not exceeding the penalty or punishment expressly mentioned as the penalty or punishment for the offence, or if a penalty or punishment is not so mentioned, to a penalty not exceeding †five thousand ringgit.

(3) The penalty or punishment, pecuniary or other, set out in, or at the foot of, any section or part of a section of this Act shall indicate that the offence is punishable upon conviction by a penalty or punishment not exceeding that so set out and where the penalty or punishment is expressed to apply to a part only of the section, it shall apply to that part only.

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\*NOTE—Previously “five years or thirty thousand ringgit”—see Companies (Amendment) (No. 2) Act 1992 [Act A836].

†NOTE—Previously “two hundred and fifty ringgit”—see Companies (Amendment) Act 1985 [Act A616].

**Default penalties**

**370.** (1) Where in, or at the foot of, any section or part of a section of this Act there appears the expression “Default penalty” it shall indicate that any person who is convicted of an offence against this Act in relation to that section or part shall be guilty of a further offence against this Act if the offence continues after he is so convicted and liable to an additional penalty for each day during which the offence so continues of not more than the amount expressed in the section or part as the amount of the default penalty or, if an amount is not so expressed, of not more than \*two hundred ringgit.

(2) Where any offence is committed by a person by reason of his failure to comply with any provision of this Act by or under which he is required or directed to do anything within a particular period, that offence, for the purposes of subsection (1) shall be deemed to continue so long as the thing so required or directed to be done by him remains undone, notwithstanding that the period has elapsed.

(3) For the purposes of any provision of this Act which provides that an officer of a company or corporation who is in default is guilty of an offence against this Act or is liable to a penalty or punishment the phrase “officer who is in default” or any like phrase means any officer of the company or corporation who knowingly and wilfully—

(a) is guilty of the offence; or

(b) authorizes or permits the commission of the offence.

**Proceedings how and when taken**

**371.** (1) Except where provision is otherwise made in this Act proceedings, for any offence against this Act may be taken by the Registrar or, with the written consent of the Minister, by any person.

(2) Notwithstanding anything in any Act proceedings for any offence against this Act may be brought within the period of seven years after the commission of the alleged offence or, with the consent of the Minister, at any later time.

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\*NOTE—Previously “fifty ringgit”—see Companies (Amendment) Act 1986 [Act A657].

(3) Proceedings for any offence against this Act other than an offence punishable with imprisonment for a term exceeding three years may be prosecuted in a Magistrate's Court and in the case of an offence punishable with imprisonment for a term of three years or more shall be prosecuted in the Sessions Court or in the High Court.

(4) *(Deleted by Act A836).*

(4A) *(Deleted by Act A836).*

(5) Any punishment authorized by this Act may be imposed by a Sessions Court notwithstanding that it is a greater punishment than that Court is otherwise empowered to impose.

(6) The Registrar and any officer authorized by him in writing shall have the right to appear and be heard before a Magistrate's Court or a Sessions Court in any proceedings for an offence against this Act.

### **Compounding of offences**

**371A.** (1) The Registrar may, in a case where he deems fit to do so, compound any offence committed by any person under this Act, by making a written offer to such person to compound the offence by paying to the Registrar such sum of money within such time as may be specified in the offer.

(2) An offer under subsection (1) may be made at any time after the offence has been committed, but before any prosecution for it has been instituted, and where the amount specified in the offer is not paid within the time specified in the offer, or within such extended period as the Registrar may grant, prosecution for the offence may be instituted at any time thereafter against the person to whom the offer was made.

(3) Where an offence has been compounded under subsection (1), no prosecution shall thereafter be instituted in respect of such offence against the person to whom the offer to compound was made.

MISCELLANEOUS

**Rules**

**372.** The Rules Committee constituted under the Courts of Judicature Act 1964 [*Act 91*], may, subject to and in accordance with the provisions of that Act relating to the making of rules, makes rules—

- (a) with respect to proceedings and the practice and procedure of the Court under this Act;
- (b) with respect to any matter or thing which is by this Act required or permitted to be prescribed by rules;
- (c) without limiting the generality of the provisions of this section, with respect to Court fees and costs and with respect to rules as to meetings ordered by the Court; and
- (d) generally with respect to the winding up of companies.

**Regulations**

**373.** (1) The Minister may make regulations for or with respect to—

- (a) the duties and functions of the Registrar, Regional Registrars, Deputy Registrars, Assistant Registrars and other clerks and servants appointed to assist with the administration of this Act;
- (b) the establishment and functions of Regional Registries;
- (c) the lodging or registration of documents and the time and manner of submission of documents for lodging or registration;
- (d) prescribing forms for the purposes of this Act;
- (e) prescribing fees, not in any case exceeding fifty ringgit, to be paid to the Registrar in respect of matters or things not provided for in the Second Schedule in respect of any document required to be lodged, filed, registered with or issued by the Registrar under this or any other Act or for any act required to be performed by the Registrar or for the inspection of any such document;

- (f) prescribing times for the lodging of any documents with the Registrar; and
- (g) all matters or things which by this Act are required or permitted to be prescribed otherwise than by rules or which are necessary or expedient to be prescribed for giving effect to this Act.

### Power to amend Schedules

**374.** The Minister may by order add to, delete, vary or amend all the Schedules to this Act and such orders shall be published in the *Gazette*.

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#### FIRST SCHEDULE

[Section 3]

PART A

REPEALS

<i>Number of Ordinances</i>	<i>Title of Ordinances</i>	<i>Extent of repeal</i>
S.S. 19 of 1928	Foreign Corporations (Execution of Instruments under seal) Ordinance	The whole
S.S. 49 of 1940	Companies Ordinance 1940	The whole
M.U. 13 of 1946	Companies Ordinance 1946	The whole
M.U. 25 of 1946	Companies (Amendment) Ordinance 1946	The whole
F. of M. 8 of 1948	Companies (Amendment) Ordinance 1948	The whole
F. of M. 18 of 1954	Employees Provident Fund (Amendment) Ordinance 1954	Subsection 13(3)
F. of M. 7 of 1956	Companies (Amendment) Ordinance 1956	The whole
F. of M. 47 of 1958	Companies (Penalties Amendment) Ordinance 1958	The whole

<i>Number of Ordinances</i>	<i>Title of Ordinances</i>	<i>Extent of repeal</i>
F. of M. 62 of 1958	Banking Ordinance 1958	Subsection 30(1)
Sabah Cap. 26	Companies Ordinance	The whole
Sarawak Cap. 65	Companies Ordinance	The whole
Sabah 17 of 1950	Companies (Reconstitution of Records) Ordinance	The whole

## PART B

CONSEQUENTIAL AMENDMENTS TO OTHER  
WRITTEN LAWS*(Omitted)*

## SECOND SCHEDULE

[Sections 7, 337 and 373]

TABLE OF FEES TO BE PAID TO  
THE REGISTRAR

	<i>RM sen</i>
1. On an application for the reservation of a name	30.00
2. For every application to the Minister under this Act	150.00
3. Fees to be paid to the Registrar by a company having a share capital:	
(i) for registration of a company whose nominal share capital does not exceed RM100,000	1,000.00
(ii) for registration of a company whose nominal share capital exceeds RM100,000 but does not exceed RM500,000	3,000.00
(iii) for registration of a company whose nominal share capital exceeds RM500,000 but does not exceed RM1 million	5,000.00
(iv) for registration of a company whose nominal share capital exceeds RM1 million but does not exceed RM5 million	8,000.00

RM sen

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|--------|--|-----------|
| (v)    | for registration of a company whose nominal share capital exceeds RM5 million but does not exceed RM10 million   | 10,000.00 |
| (vi)   | for registration of a company whose nominal share capital exceeds RM10 million but does not exceed RM25 million  | 20,000.00 |
| (vii)  | for registration of a company whose nominal share capital exceeds RM25 million but does not exceed RM50 million  | 40,000.00 |
| (viii) | for registration of a company whose nominal share capital exceeds RM50 million but does not exceed RM100 million | 50,000.00 |
| (ix)   | for registration of a company whose nominal share capital exceeds RM100 million                                  | 70,000.00 |
4. On lodging notice of increase of share capital- an amount equal to the difference, if any, between the amount which would have been payable under this Act as increased and the amount which would have been payable under this Act on first registration by reference to its capital under this Act as increased and the amount which would have been payable under this Act by reference to its capital immediately before the increase:
- Provided that no company shall be liable to pay in respect of share capital on registration or thereafter any greater amount of fees than RM70,000 taking into account in the case of fees payable on an increase of share capital after registration, the fees paid on registration.
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| 5. | Fees to be paid to the Registrar by a company not having a share capital   | 1,000.00 |
| 6. | For perusing memorandum or articles of a company in connection with an application for a licence under section 24  | 150.00   |
| 7. | For perusing any deed or copy of a deed under section 86   | 250.00   |
| 8. | For every approval of the Registrar to the change of the name of a company otherwise than a change of name directed by the Registrar under subsection 23(3) or a change of name pursuant to subsection 24(2) | 100.00   |

	RM <i>sen</i>
9. For every approval of the Registrar to the change of the name of a foreign company	250.00
10. For every approval of the Registrar to the change of the status of a company otherwise than a change of status to a public company	50.00
11. For every approval of the Registrar to the change of the status of a company to a public company	300.00
12. For every approval of the Registrar relating to the commencement of business of a company	350.00
13. <i>(Deleted)</i>	
14. On lodging any prospectus or statement required under section 90 in relation to any other corporation	1,300.00
14A. On lodging a supplemental prospectus	500.00
14B. On lodging any prospectus or supplementary prospectus under subsection 36A(4)	500.00
14C. On lodging a memorandum under section 47B	500.00
14D. On lodging a return by a management company under section 93	100.00
14E. On lodging a report or account by a corporation under subsection 36A(7) and section 80	100.00
15. For registering any charge created by a corporation	300.00
16. For registration of satisfaction of/release from charge under subsection 113(1) and (2) in respect of a company	50.00
17. For registration of satisfaction of/release from charge under subsection 113(1) and (2) in respect of a foreign company	150.00
18. For the registration of a foreign company—	
(a) subject to paragraph (b), the appropriate fee prescribed in respect of a company registered or incorporated under Part III; and	
(b) where the foreign company has no share capital and engage in trade, commerce or industry including transportation, the maximum fee in respect of a company with share capital registered or incorporated under Part III.	

RM *sen*

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| 19.  | On lodging by a foreign company of notice of increase in share capital—the prescribed fee payable on the increase in share capital of a company incorporated or registered under Part III. |   |
| 20.  | On lodging an application to the Registrar under subsections 143(2) or 169(2)  | 100.00  |
| 21.  | On lodging an annual return of a public company having a share capital and of a foreign company  | 350.00  |
| 22.  | On lodging an annual return of any other company   | 150.00  |
| 23.  | Fee for registration of a firm of auditors   | 500.00  |
| 24.  | On lodgement of request to the Registrar to exercise the powers conferred by section 309 or 311  | 200.00  |
| 25.  | For every act done by the Registrar as representing a defunct company under section 309  | 500.00  |
| 26.  | Remuneration of the Registrar in respect of the exercise of the powers conferred upon him by section 311   | 30 per cent of the balance amount (if any) after defraying all costs expenses, commission and fees incidental to the disposal of interest in property |
| 26A. | On the late lodgment of any document of a company under this Act after the period prescribed by law or regulation, in addition to any other fee—   |   |
|      | (a) fees applicable to a public company  |   |
|      | (i) more than 7 days but not more than 3 months  | 150.00  |
|      | (ii) more than 3 months but not more than 6 months   | 250.00  |
|      | (iii) more than 6 months but not more than 12 months   | 300.00  |
|      | (iv) more than 12 months   | 500.00  |

	RM <i>sen</i>
(b) fees applicable to a private company	
(i) more than 7 days but not more than 3 months	50.00
(ii) more than 3 months but not more than 6 months	100.00
(iii) more than 6 months but not more than 12 months	150.00
(iv) more than 12 months	200.00
26B. On lodging any document of company to Registrar pursuant to other laws	50.00
27. Application for licence of company secretary	50.00
28. Renewal of licence of company secretary	50.00
29. Licence of company secretary	150.00
30. For each search or an inspection of a document or documents filed by or in relation to a corporation—	
(i) physical file search	5.00
(ii) microfilm search	10.00
31. For supply of any copy or extract of any document—	
(i) certified—per page	5.00
(ii) uncertified—per page	1.00
31A. For supply of a print-out of—	
(i) information on directorship of a person	50.00
(ii) any information or statistical report on companies	100.00
	an additional fee of of RM2.00 per page or part of a page if the information or report exceeds 50 pages
31B. For any certificate issued or a copy or an extract of the certificate under paragraph 11(2)(b) and (c)	20.00

RM *sen*

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| 32. | For any information concerning a corporation supplied by the Registrar in reply to a written application      | 10.00                       |
| 33. | On lodging any other application to the Registrar under this Act of which a fee is not prescribed by any item | 120.00                      |
| 34. | On registering a Court Order  | 50.00                       |
| 35. | On any subpoena served on the Registrar to produce any document in his custody                                | Government rates chargeable |

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THIRD SCHEDULE

[Section 19]

POWERS OF A COMPANY

1. To carry on any other business which may seem to the company capable of being conveniently carried on in connection with its business calculated directly or indirectly to enhance the value of or render profitable any of the company's property or rights.
2. To acquire and undertake the whole or any part of the business, property, and liabilities of any person or company carrying on any business which the company is authorized to carry on, or possessed of property suitable for the purposes of the company.
3. To apply for, purchase, or otherwise acquire any patents, patent rights, copyrights, trade marks, formulas, licences, concessions, and the like, conferring any exclusive or non-exclusive or limited right to use, or any secret or other information as to, any invention which may seem capable of being used for any of the purposes of the company, or the acquisition of which may seem calculated directly or indirectly to benefit the company; and to use, exercise, develop, or grant licences in respect of, or otherwise turn to account, the property, rights, or information so acquired.
4. To amalgamate or enter into partnership or into arrangement for sharing of profits, union of interest, co-operation, joint adventure, reciprocal concession, or otherwise, with and person or company carrying on or engaged in or about to carry on or engage in any business or transaction which the company is authorized to carry on or engage in, or any business or transaction capable of being conducted so as directly or indirectly to benefit the company.
5. To take, or otherwise acquire, and hold, shares, debentures, or other securities of any other company.

6. To enter into any arrangements with any Government or authority, supreme, municipal, local, or otherwise, that may seem conducive to the company's objects, or any of them; and to obtain from any such Government or authority any rights, privileges, and concessions which the company may think it desirable to obtain; and to carry out, exercise, and comply with any such arrangements, rights, privileges, and concessions.
7. To establish and support or aid in the establishments and support of associations, institutions, funds, trusts, and conveniences calculated to benefit employees or directors or past employees or directors of the company or of its predecessors in business, or the dependents or connections of any such persons; and to grant pensions and allowances, and to make payments towards insurance; and to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition, or for any public, general, or useful object.
8. To promote any other company or companies for the purpose of acquiring or taking over all or any of the property, rights, and liabilities of the company, or for any other purpose which may seem directly or indirectly calculated to benefit the company.
9. To purchase, take on lease or in exchange, hire, and otherwise acquire any movable or immovable property and any rights or privileges which the company may think necessary or convenient for the purposes of its business, and in particular land, buildings, easements, machinery, plant, and stock in trade.
10. To construct, improve, maintain, develop, work, manage, carry out, or control any buildings, works, factories, mills, roads, ways, tramways, railways, branches or sidings, bridges, reservoirs, watercourses, wharves, warehouses, electric works, shops, stores, and other works and conveniences which may seem calculated directly or indirectly to advance the company's interest; and to contribute to, subsidise, or otherwise assist or take part in the construction, improvement, maintenance, development, working, management, carrying out, or control thereof.
11. To invest and deal with the money of the company not immediately required in such manner as may from time to time be thought fit.
12. To lend and advance money or give credit to any person or company; to guarantee and give guarantees or indemnities for the payment of money or the performance of contracts or obligations by any person or company; to secure or undertake in any way the repayment of moneys lent or advanced to or the liabilities incurred by any person or company; and otherwise to assist any person or company.
13. To borrow or raise or secure the payment of money in such manner as the company may think fit and to secure the same or the repayment or performance of any debt, liability, contract, guarantee or other engagement incurred or to be entered into by the company in any way and in particular by the issue of debentures perpetual or otherwise, charged upon all or any of the company's property (both present and future), including its uncalled capital; and to purchase, redeem, or pay off any such securities.

14. To remunerate any person or company for services rendered, or to be rendered, in placing or assisting to place or guaranteeing the placing of any of the shares in the company's capital or any debentures, or other securities of the company, or in or about the organization, formation, or promotion of the company or the conduct of its business.
15. To draw, make, accept, endorse, discount, execute, and issue promissory notes, bills of exchange, bills of lading, and other negotiable or transferable instruments.
16. To sell or dispose of the undertaking of the company or any part thereof for such consideration as the company may think fit, and in particular for shares, debentures, or securities of any other company having objects altogether or in part similar to those of the company.
17. To adopt such means of making known and advertising the business and products of the company as may seem expedient.
18. To apply for, secure, acquire by grant, legislative enactment, assignment, transfer, purchase, or otherwise, and to exercise, carry out, and enjoy any charter, licence, power, authority, franchise, concession, right, or privilege, which any Government or authority or any corporation or other public body may be empowered to grant; and to pay for, aid in, and contribute towards carrying the same into effect; and to appropriate any of the company's shares, debentures, or other securities and assets to defray the necessary costs, charges, and expenses thereof.
19. To apply for, promote, and obtain any statute, order, regulation or other authorization or enactment which may seem calculated directly or indirectly to benefits the company; and to oppose and bills, proceedings, or applications which may seem calculated directly or indirectly to prejudice the company's interest.
20. To procure the company to be registered or recognized in any country or place outside Malaysia.
21. To sell, improve, manage, develop, exchange, lease, dispose of, turn to account, or otherwise deal with all or any part of the property and rights of the company.
22. To issue and allot fully or partly paid shares in the capital of the company in payment or part payment of any movable or immovable property purchased or otherwise acquired by the company or any services rendered to the company.
23. To distribute any of the property of the company among the members in kind or otherwise but so that no distribution amounting to a reduction of capital shall be made without the sanction required by law.
24. To take or hold mortgages, liens, and charges to secure payment of the purchase price, or any unpaid balance of the purchase price, of any part of the company's property of whatsoever kind sold by the company, or any money due to the company from purchasers and others.

25. To carry out all or any of the objects of the company and do all or any of the above things in any part of the world and either as principal, agent, contractor, or trustee, or otherwise, and by or through trustees or agents or otherwise, and either alone or in conjunction with others.

26. To do all such other things as are incidental or conducive to the attainment of the objects and the exercise of the powers of the company.

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FOURTH SCHEDULE

[Sections 4, 30]

TABLE A

REGULATIONS FOR MANAGEMENT OF A COMPANY  
LIMITED BY SHARES

*Interpretation*

1. In these regulations—

“the Act” means the Companies Act 1965 [*Act 125*];

“the seal” means the common seal of the company;

“secretary” means any person appointed to perform the duties of a secretary of the company;

expressions referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in a visible form;

words or expressions contained in these regulations shall be interpreted in accordance with the provisions of the Interpretation Act 1948 and 1967 [*Act 388*], and of the Act as in force at the date at which these regulations become binding on the company.

*Share Capital and Variation of Rights*

2. Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares but subject to the Act, shares in the company may be issued by the directors and any such share may be issued with such preferred, deferred, or other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise, as the directors, subject to any ordinary resolution of the company, determine.

3. Subject to the Act, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the company are liable, to be redeemed.

4. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the company is being wound

up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of these regulations relating to general meeting shall *mutatis mutandis* apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. To every such special resolution section 152 shall, with such adaptations as are necessary, apply.

5. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking equally therewith.

6. The company may exercise the powers of paying commissions conferred by the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the commission shall not exceed the rate of 10 per cent of the price at which the shares in respect whereof the same is paid are issued or an amount equal to 10 per cent of that price, as the case may be. The said commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares on partly in one way and partly in the other. The company may also on any issue of shares pay such brokerage as may be lawful.

7. Except as required by law, no person shall be recognized by the company as holding any share upon any trust, and the company shall not be bound by or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future, or partial interest in any share or unit of a share or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

8. Every person whose name is entered as a member in the register of members shall be entitled without payment to receive a certificate under the seal of the company in accordance with the Act but in respect of share or shares held jointly by several persons the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

#### *Lien*

9. The company shall have a first and paramount lien on every share (not being a fully paid share) for all money (whether presently payable or not) called or payable at a fixed time in respect of that share, and the company shall also have a first and paramount lien on all shares (other than fully paid shares) registered in the name of a single person for all money presently payable by him or his estate to the company; but the directors may at any time declare any share to be wholly or in part exempt from this regulation. The company's lien, if any, on a share shall extend to all dividends payable thereon.

10. The company may sell, in such manner as the directors think fit, any shares on which the company has a lien, but no sale shall be made unless a sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen days after a notice in writing, stating and demanding payment of

such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the person entitled thereto by reason of his death or bankruptcy.

**11.** To give effect to any such sale the directors may authorize some person to transfer the shares sold to the purchasers thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer, and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

**12.** The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any, shall (subject to a like for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

#### *Calls on Shares*

**13.** The directors may from time to time make calls upon the members in respect of any money unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times, provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call, and each member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the directors may determine.

**14.** A call shall be deemed to have been made at the time when the resolution of the directors authorizing the call was passed and may be required to be paid by instalments.

**15.** The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

**16.** If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate not exceeding 8 per cent per annum as the directors may determine, but the directors shall be at liberty to waive payment of that interest wholly or in part.

**17.** Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture, or otherwise shall apply as if the sum had become payable by virtue of a call duly made and notified.

**18.** The directors may, on the issue of shares, differentiate between the holders as to the amount of calls to be paid and the times of payment.

**19.** The directors may, if they think fit, receive from any member willing to advance the same all or any part of the money uncalled and unpaid upon any shares held by him, and upon all or any part of the money so advanced may (until the same would, but for the advance, become payable) pay interest at such rate not exceeding (unless the company in general meeting shall otherwise direct) 8 per cent per annum as may be agreed upon between the directors and the member paying the sum in advance.

#### *Transfer of Shares*

**20.** Subject to these regulations any member may transfer all or any of his shares by instrument in writing in any usual or common form or in any other form which the directors may approve. The instrument shall be executed by or on behalf of the transferor and the transferor shall remain the holder of the shares transferred until the transfer is registered and the name of the transferee is entered in the register of members in respect thereof.

**21.** The instrument of transfer must be left for registration at the registered office of the company together with such fee not exceeding RM1.00 as the directors from time to time may require accompanied by the certificate of the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer, and thereupon the company shall, subject to the powers vested in the directors by these regulations, register the transferee as a shareholder and retain the instrument of transfer.

**22.** The directors may decline to register any transfer of shares not being fully paid shares to a person of whom they do not approve and may also decline to register any transfer of shares on which the company has a lien.

**23.** The registration of transfers may be suspended at such times and for such periods as the directors may from time to time determine not exceeding in the whole thirty days in any year.

#### *Transmission of Shares*

**24.** In case of the death of a member the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole holder, shall be the only persons recognized by the company as having any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

**25.** Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as may from time to time properly be required by the directors and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof, but the

directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that member before his death or bankruptcy.

**26.** If the person so becoming entitled elects to be registered himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects. If he elects to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions, and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer signed by that member.

**27.** Where the registered holder of any share dies or becomes bankrupt his personal representative or the assignee of his estate, as the case may be, shall, upon the production of such evidence as may from time to time be properly required by the directors in that behalf, be entitled to the same dividends and other advantages, and to the same rights (whether in relation to meetings of the company, or to voting, or otherwise), as the registered holder would have been entitled to if he had not died or become bankrupt; and where two or more persons are jointly entitled to any share in consequence of the death of the registered holder they shall, for the purposes of these regulations, be deemed to be joint holders of the share.

#### *Forfeiture of Shares*

**28.** If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the directors may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

**29.** The notice shall name a further day (not earlier than the expiration of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed the shares in respect of which the call was made will be liable to be forfeited.

**30.** If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

**31.** A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the directors think fit.

**32.** A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the company all money which, at the date of forfeiture, was payable by him to the company in respect of the shares (together with interest at the rate of 8 per cent per annum from the date of the forfeiture on the money for the time being unpaid if the directors think fit to enforce payment of the interest), but his liability shall cease if and when the company receives payment in full of all such money in respect of the shares.

**33.** A statutory declaration in writing that the declarant is a director or the secretary of the company, and that a share in the company, has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

**34.** The company may receive the consideration, if any, given for a forfeited share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, or disposal of the share.

**35.** The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

#### *Conversion of Shares into Stock*

**36.** The company may by ordinary resolution passed at a general meeting convert any paid-up shares into stock and reconvert any stock into paid-up shares of any denomination.

**37.** The holders of stock may transfer the same or any part thereof in the same manner and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances admit; but the directors may from time to time fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of that minimum, but the minimum shall not exceed the nominal amount of the shares from which the stock arose.

**38.** The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by any such *aliquot* part of stock which would not if existing in shares have conferred that privilege or advantage.

**39.** Such of the regulations of the company as are applicable to paid-up shares shall apply to stock, and the words “share” and “shareholder” therein shall include “stock” and “stockholder”.

*Alteration of Capital*

- 40.** The company may from time to time by ordinary resolution—
- (a) increase the share capital by such sum to be divided into shares of such amount as the resolution shall prescribe;
  - (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (c) subdivide its shares or any of them into shares of smaller amount than is fixed by the memorandum; so however that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; or
  - (d) cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled.

**41.** Subject to any direction to the contrary that may be given by the company in general meeting, all new shares shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the share offered, the directors may dispose of those shares in such manner as they think most beneficial to the company. The directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the directors, be conveniently offered under this regulation.

**42.** The company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and with, and subject to, any incident authorized, and consent required by law.

*General Meetings*

**43.** An annual general meeting of the company shall be held in accordance with the Act. All general meetings other than the annual general meetings shall be called extraordinary general meetings.

**44.** Any director may whenever he thinks fit convene an extraordinary general meeting, and extraordinary general meetings shall be convened on such requisition or in default may be convened by such requisitionists as provided by the Act.

**45.** Subject to the provisions of the Act relating to special resolutions and agreements for shorter notice, fourteen days, notice at the least (exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day for which notice is given) specifying the place, the day and the hour of meeting and in case of special business the general nature of that business shall be given to such persons as are entitled to receive these notices from the company.

**46.** All business shall be special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of declaring a dividend, the consideration of the accounts, balance sheets, and the report of the directors and auditors, the election of directors in the place of those retiring, and the appointment and fixing of the remuneration of the auditors.

*Proceedings at General Meetings*

**47.** No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as herein otherwise provided, two members present in person shall be a quorum. For the purposes of this regulation “member” includes a person attending as a proxy or as representing a corporation which is a member.

**48.** If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the directors may determine.

**49.** The chairman, if any, of the board of directors shall preside as chairman at every general meeting of the company, or if there is no such chairman, or if he is not present within fifteen minutes after the time appointed for the holding of the meeting or is unwilling to act, the members present shall elect one of their number to be chairman of the meeting.

**50.** The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

**51.** At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded—

(a) by the chairman;

(b) by at least three members present in person or by proxy;

(c) by any member present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or

- (d) by a member holding shares in the company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Unless a poll is so demanded a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. The demand for a poll may be withdrawn.

**52.** If a poll is duly demanded it shall be taken in such manner and either at once or after an interval or adjournment or otherwise as the chairman directs, and the result of the poll shall be the resolution of the meeting at which the poll was demanded, but a poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith.

**53.** In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.

**54.** Subject to any rights or restrictions for the time being attached to any class of shares, at meetings of members or classes of members each member entitled to vote may vote in person or by proxy or by attorney and on a show of hands every person present who is member or a representative of a member shall have one vote, and on a poll every member present in person or by proxy or by attorney or other duly authorized representative shall have one vote for each share he holds.

**55.** In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the register of members.

**56.** A member who is of unsound mind or whose person or estate is liable to be dealt with in any way under the law relating to mental disorder may vote, whether on a show of hands or on a poll, by his committee or by such other person as properly has the management of his estate, and any such committee or other person may vote by proxy or attorney.

**57.** No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

**58.** No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at the meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.



*Directors: Appointment, etc.*

- 63.** At the first annual general meeting of the company all the directors shall retire from office, and at the annual general meeting in every subsequent year one-third of the directors for the time being, or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office.
- 64.** A retiring director shall be eligible for re-election.
- 65.** The directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.
- 66.** The company at the meeting at which a director so retires may fill the vacated office by electing a person thereto, and in default the retiring director shall, if offering himself for re-election and not being disqualified under the Act from holding office as a director, be deemed to have been re-elected, unless at that meeting it is expressly resolved not to fill the vacated office unless a resolution for the re-election of that director is put to the meeting and lost.
- 67.** The company may, from time to time by ordinary resolution passed at a general meeting, increase or reduce the number of directors, and may also determine in what rotation the increased or reduced number is to go out of office.
- 68.** The directors shall have power at any time, and from time to time, to appoint any person to be a director, either to fill a casual vacancy or as an addition to the existing directors, but so that the total number of directors shall not at any time exceed the number fixed in accordance with these regulations. Any director so appointed shall hold office only until the next following annual general meeting, and shall then be eligible for re-election but shall not be taken into account in determining the directors who are to retire by rotation at that meeting.
- 69.** Subject to section 128, the company may by ordinary resolution remove any director before the expiration of his period of office, and may by an ordinary resolution appoint another person in his stead; the person so appointed shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last elected a director.
- 70.** The remuneration of the directors shall from time to time be determined by the company in general meeting. That remuneration shall be deemed to accrue from day to day. The directors may also be paid all travelling, hotel, and other expenses properly incurred by them in attending and returning from meetings of the directors or any committee of the directors or general meetings of the company or in connection with the business of the company.
- 71.** The shareholding qualification for directors may be fixed by the company in general meeting.

- 72.** The office of director shall become vacant if the director—
- (a) ceases to be a director by virtue of the Act;
  - (b) becomes bankrupt or makes any arrangement or composition with his creditors generally;
  - (c) becomes prohibited from being a director by reason of any order made under the Act;
  - (d) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental disorder;
  - (e) resigns his office by notice in writing to the company;
  - (f) for more than six months is absent without permission of the directors from meetings of the directors held during that period;
  - (g) without the consent of the company in general meeting holds any other office of profit under the company except that of managing director or manager; or
  - (h) is directly or indirectly interested in any contract or proposed contract with the company and fails to declare the nature of his interest in manner required by the Act.

*Powers and Duties of Directors*

**73.** The business of the company shall be managed by the directors who may pay all expenses incurred in promoting and registering the company, and may exercise all such powers of the company as are not, by the Act or by these regulations, required to be exercised by the company in general meeting, subject, nevertheless, to any of these regulations, to the provisions of the Act, and to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the company in general meeting; but no regulation made by the company in general meeting shall invalidate any prior act of the directors which would have been valid if that regulation had not been made.

**74.** The directors may exercise all the powers of the company to borrow money and to mortgage or charge its undertaking, property, and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability, or obligation of the company or of any third party.

**75.** The directors may exercise all the powers of the company in relation to any official seal for use outside Malaysia and in relation to branch registers.

**76.** The directors may from time to time by power of attorney appoint any corporation, firm, or person or body of persons, whether nominated directly or indirectly by the directors, to be the attorney of the company for such purposes and with such powers, authorities, and discretions (not exceeding those vested in or exercisable by the directors under these regulations) and for such period and subject to such conditions as they may think fit, and any such