CHARTERED TAX INSTITUTE OF MALAYSIA
(Institut Percukaian Malaysia)
Registration Number: 199101015438 (225750-T)

PROFESSIONAL EXAMINATION

FINAL LEVEL

COMPANY AND BUSINESS LAW

SEPTEMBER 2026

Student Registration No.		**Date**	
Desk No.		**Examination Centre**	

Time allowed: 3 hours

INSTRUCTIONS TO CANDIDATES

1. This paper consists of **TWO** sections. **SECTION A** contains **THREE** questions and **SECTION B** contains **THREE** questions.

2. Answer **FIVE** questions. **TWO** questions from each section and **ONE** from either section**.**

3. Each answer should begin on a separate answer template.

DO NOT TURN OVER THIS PAGE UNTIL INSTRUCTED BY THE INVIGILATOR

SECTION A
COMPANY LAW

Question 1

Aisyah Rahman owns 80,000 ordinary shares in Nexus Data Centres Berhad ("Nexus"), a public company listed on Bursa Malaysia. Nexus owns and operates several large-scale data centres in Cyberjaya and provides cloud hosting, data storage, and digital infrastructure services to local and international technology companies.

Having read reports that Malaysia's digital economy is growing rapidly and that demand for data centre services is expected to increase significantly, Aisyah is considering increasing her shareholding in the company in the future.

However, recently Aisyah received information that:

1. The Board of Directors intends to sell one of Nexus's largest data centre facilities located in Cyberjaya to another technology company.
2. Nexus plans to enter into a substantial contract with TechLink Sdn Bhd, a company controlled by one of Nexus's substantial shareholders.
3. The company has recently announced that dividends will be distributed to shareholders following a profitable financial year.
4. An annual general meeting ("AGM") will soon be held to discuss the company's future expansion plans and other corporate matters.
5. As Aisyah may be travelling overseas during the AGM, she is considering appointing her cousin to attend and vote at the meeting on her behalf.

Aisyah becomes concerned that the directors have been making decisions that unfairly benefit a small group of controlling shareholders while disregarding the interests of minority shareholders. She also discovers that certain directors may have caused losses to Nexus through questionable business decisions. Despite these concerns, the board refuses to commence legal proceedings against those responsible.

Aisyah seeks your advice regarding her rights and possible remedies under the Companies Act 2016.

Required:

(a) Explain how Aisyah's rights as a shareholder of Nexus Data Centres Berhad are derived under the Companies Act 2016.

(4 marks)

(b) Advise Aisyah on the rights available to her as a shareholder and any legal remedies that may be available to her in the circumstances described above. Support your answer with relevant provisions of the Companies Act 2016.

(16 marks)

[Total: 20 marks]

Question 2

Golden Harvest Durian Farms Sdn Bhd ("Golden Harvest") is a private company involved in the cultivation, harvesting, and export of premium Malaysian durians. The company has been operating successfully for the past eight years and supplies durians to customers throughout Malaysia, China, and Singapore.

The company is a family-owned business. Its directors are Daniel Tan and Melissa Tan, who each hold 20% of the company's issued shares. The remaining 60% of the shares are owned equally by Daniel's siblings, Jason, Jessica and Jeremy.

Recently, Jason, Jessica and Jeremy became aware of an opportunity to purchase a large parcel of agricultural land in Vietnam for the cultivation of premium durian trees. They believe that the acquisition would enable Golden Harvest to significantly increase its production capacity and capitalise on the growing international demand for durians.

However, Daniel and Melissa strongly oppose the proposal. They believe that expanding operations into Vietnam would expose the company to unnecessary financial risks and that the company should instead focus on strengthening its existing Malaysian operations.

As a result, Jason, Jessica and Jeremy wish to convene a meeting of the members to consider and vote on a resolution authorising the purchase of the land in Vietnam.

In addition, during a review of the company's records, it was discovered that Golden Harvest has not held an Annual General Meeting ("AGM") since its incorporation eight years ago.

Required:

(a) Advise Jason, Jessica and Jeremy whether they have the right under the Companies Act 2016 to require the directors to convene a meeting of members and explain the procedure that must be followed.

(10 marks)

(b) Advise Jason, Jessica and Jeremy on their rights if the directors refuse to convene the meeting.

(6 marks)

(c) Advise Daniel and Melissa whether Golden Harvest Durian Farms Sdn Bhd is in breach of the Companies Act 2016 for failing to hold an Annual General Meeting since its incorporation.

(4 marks)

[Total: 20 marks]

Question 3

Evergreen Paper Mills Sdn Bhd ("Evergreen") has been in the business of manufacturing and supplying paper products for the past 35 years. The company produces writing paper, office paper, notebooks, and printing materials which are supplied to schools, universities, government agencies, and private businesses throughout Malaysia.

The company is owned by three shareholders, Zamri, Tan and Muthu, who are also the directors of Evergreen.

In recent years, the directors have noticed a significant decline in demand for paper products. Many businesses, educational institutions, and government agencies have adopted digital technologies, electronic document management systems, online learning platforms, e-books, and paperless office practices. As a result, the directors believe that the long-term prospects of the paper manufacturing industry are no longer favourable.

Furthermore, Zamri, Tan and Muthu are all approaching retirement age and do not wish to continue operating the business. After reviewing the company's financial records, they are satisfied that Evergreen has sufficient assets to pay all its creditors and settle its liabilities in full.

The directors believe that, rather than continuing a declining business, it would be in the best interest of the shareholders to close the company, realise its remaining assets, and distribute any surplus among the shareholders.

Required:

Advise Zamri, Tan and Muthu on the most appropriate method of winding up Evergreen Paper Mills Sdn Bhd under the provisions of the Companies Act 2016. In your answer, explain the procedures that must be followed and discuss the legal consequences if it is subsequently discovered that the company is unable to pay all of its debts during the winding-up process.

[Total: 20 marks]

SECTION B
BUSINESS LAW

Question 4

Adam, a 17-year-old college student, enters into a contract with a motorcycle dealer to purchase a motorcycle worth RM15,000. Adam informs the dealer that he needs the motorcycle to travel to his college. The dealer completes the sale without verifying Adam's age.

Two months later, Adam decides that he no longer wants the motorcycle and refuses to continue making the instalment payments. He claims that the contract is unenforceable because he is a minor and lacks the legal capacity to enter into the agreement.

The motorcycle dealer argues that the motorcycle is a necessary item because Adam uses it for transportation to college and therefore the contract should be binding.

Required:

Evaluate whether Adam can avoid the contract on the ground of minority. Discuss the legal position regarding contracts entered into by minors under Malaysian law and explain whether the motorcycle may be regarded as necessaries. Support your answer with relevant statutory provisions and case law.

[Total: 20 marks]

Question 5

SmartLease Finance Sdn Bhd (the Owner/Financier) enters into a hire purchase agreement with Nadia (the Hirer) for a second hand industrial grade printer valued at RM25,000. Nadia operates a small printing business and informed the dealer, PrintTech Solutions (the Dealer), that she required the printer specifically for producing high-volume commercial printing jobs for her clients.

One month after taking possession of the printer, Nadia discovers that the machine frequently jams and overheats due to a serious defect in its internal printing mechanism. As a result, the printer is unable to handle large printing orders and cannot perform the purpose for which it was purchased.

Nadia immediately informs both SmartLease Finance Sdn Bhd and PrintTech Solutions that she wishes to terminate the hire purchase agreement and recover all payments she has made.

SmartLease Finance Sdn Bhd argues that:

- It merely provided financing and is not responsible for defects in the printer.
- The printer was sold as a second hand machine and therefore no implied condition as to quality or fitness for purpose applies.
- Any claim should be made solely against PrintTech Solutions.

Required:

Advise Nadia on her rights and remedies under the Hire Purchase Act 1967 (HPA 1967). In particular, discuss the implied conditions and warranties relating to merchantable quality and fitness for purpose, and evaluate the validity of the arguments raised by SmartLease Finance Sdn Bhd. Support your answer with relevant statutory provisions and case law.

[Total: 20 marks]

Question 6

Jason and Farah establish a **Limited Liability Partnership (LLP)** in Malaysia to operate a digital marketing agency. Under their LLP agreement, Jason contributes RM80,000 and is responsible for client acquisition and business development, while Farah contributes RM40,000 and manages the day-to-day operations and finances of the business.

After two years, the LLP experiences severe financial difficulties and incurs debts amounting to RM500,000 owed to various suppliers and creditors. Several creditors demand payment and threaten legal action against both Jason and Farah personally.

Jason is worried that his personal assets, including his house and savings, may be seized to satisfy the LLP's debts. Farah argues that because the business is registered as an LLP, the creditors can only claim against the assets of the LLP and not against the personal assets of the partners.

Required:

Evaluate the liability of Jason and Farah for the debts of the LLP. Discuss the legal framework governing Limited Liability Partnerships under the Limited Liability Partnerships Act 2012 (LLPA 2012) and explain the extent to which partners are personally liable for LLP obligations. Support your answer with relevant statutory provisions and case law.

[Total: 20 marks]

(END OF QUESTION PAPER)