

person to renounce his rights, the rights may only be renounced in favour of another person already connected with the company; or

(b) it is an offer to subscribe for securities to be held under an employees' share scheme and, where the offer is made on terms allowing that person to renounce his rights, the rights may only be renounced in favour of—

(i) another person entitled to hold securities under the scheme; or

(ii) a person already connected with the company.

(4) For the purposes of this section, “person already connected with the company” means—

(a) an existing member or employee of the company;

(b) a member of the family of a person who is or was a member or employee of the company;

(c) an existing debenture holder of the company; or

(d) a trustee, acting in his capacity as such, of a trust of which the principal beneficiary is a person within any of paragraphs (a) to (c).

Company limited by guarantee

45. (1) No company other than a company limited by guarantee shall be formed with the following objects:

(a) providing recreation or amusement;

(b) promoting commerce and industry;

(c) promoting art;

- (d) promoting science;
- (e) promoting religion;
- (f) promoting charity;
- (g) promoting pension or superannuation schemes; or
- (h) promoting any other object useful for the community or country.

(2) A company limited by guarantee shall—

- (a) apply its profits or other income in achieving or promoting its objects;
- (b) prohibit the payment of any dividend to its members; and
- (c) require all the assets that would otherwise be available to its members generally be transferred on its winding up either—
 - (i) to another body with objects similar to its own; or
 - (ii) to another body the objects of which are the promotion of charity and anything incidental or conducive to such objects.

(3) A company limited by guarantee may apply to the Minister for a licence to omit the word “*Berhad*” or the abbreviation “*Bhd.*” from its name.

(4) A company limited by guarantee shall not hold land unless a licence has been obtained from the Minister.

(5) For the purposes of approving licences under this section, the Minister may prescribe regulations or impose any conditions as he thinks fit.