

LW5656: COMPANY LAW I

Effective Term

Semester A 2025/26

Part I Course Overview

Course Title

Company Law I

Subject Code

LW - Law

Course Number

5656

Academic Unit

School of Law (FL)

College/School

School of Law (FL)

Course Duration

One Semester

Credit Units

3

Level

P5, P6 - Postgraduate Degree

Medium of Instruction

English

Medium of Assessment

English

Prerequisites

LW5601 Hong Kong Legal System and LW5622 Legal Methods, Research and Writing, and LW5602A Law of Contract I and LW5602B Law of Contract II

Precursors

Nil

Equivalent Courses

LW4656 Company Law I or LW6103E Company Law I (only applicable to students who completed LW6103E before Sem A 2019/20)

Exclusive Courses

Nil

Part II Course Details

Abstract

This course examines the law and regulation of companies and other business organisations: the formation management and operation of companies, corporate governance, the constitutional framework of corporate bodies the relationship between the internal stakeholders of the company, as well as their relationship with external parties. The course will analyse the theoretical underpinning of the legal rules and principles of corporate law, as well as the policy drivers behind the shaping of corporate law.

Course Intended Learning Outcomes (CILOs)

CILOs	Weighting (if app.)	DEC-A1	DEC-A2	DEC-A3
1 Describe and explain the basic principles of the law relating to companies.	20	x		
2 Apply the principles of company law to solve legal problems by: - analysing cases - interpreting statutes - conducting independent research on the law and relevant legal issues - marshalling arguments clearly, logically, coherently and effectively, both orally and in writing.	30	x	x	
3 Research, analyse and critically evaluate: - legal principles and doctrines in company law in light of both doctrinal coherence and in relation to the policy objectives of the law - the implications of company law in facilitating or limiting the achievement of a business's commercial or other goals and in balancing the competing interests of the investors, creditors, managers, employees and the public.	50	x	x	x

A1: Attitude

Develop an attitude of discovery/innovation/creativity, as demonstrated by students possessing a strong sense of curiosity, asking questions actively, challenging assumptions or engaging in inquiry together with teachers.

A2: Ability

Develop the ability/skill needed to discover/innovate/create, as demonstrated by students possessing critical thinking skills to assess ideas, acquiring research skills, synthesizing knowledge across disciplines or applying academic knowledge to real-life problems.

A3: Accomplishments

Demonstrate accomplishment of discovery/innovation/creativity through producing /constructing creative works/new artefacts, effective solutions to real-life problems or new processes.

Learning and Teaching Activities (LTAs)

LTAs	Brief Description	CILO No.	Hours/week (if applicable)
1	Lectures	Students will receive guidance on their reading and research through multimedia or other presentations. Students will deepen their understanding by seeing the operation of the law in case studies, and by engaging in group discussions.	1, 2, 3 2
2		Students will engage with issues and concerns and aspects of the operation of the substantive rules of company law.	3
3	Reading of cases, statutes and other material, and research	Students will acquire knowledge of the substantive rules of company law through set readings and other materials acquired through the student's own research.	1, 2
4		Students will learn and evaluate conceptual and policy issues in company law through set readings and other materials acquired through the student's own research.	3
5	Small group discussion/ interactive sessions	Students will analyse cases, interpret statutes, and may also conduct their own research on issues of company law. Students will apply relevant legal analysis to case study situations, thereby developing issue recognition, problem solving and application skills. Students will present arguments orally and may need to provide written submissions.	2 1

6		Students will scrutinise, analyse and evaluate issues and concerns in the field of company law through group discussions.	3	
7		Students will evaluate the utility and limitations of GenAI tools for generating answers to legal problems, and apply critical analysis to GenAI outputs in legal contexts. Students will apply their legal knowledge to correct/amend/improve AI-generated outputs to craft a work product that is fit for purpose.	2, 3	

Assessment Tasks / Activities (ATs)

	ATs	CILO No.	Weighting (%)	Remarks ("- for nil entry)	Allow Use of GenAI?
1	Research paper (to be completed in groups of not more than 2 persons)	3	30	Students' ability to conduct in-depth research, analyse primary and secondary materials, synthesize the material, and evaluate the legal question/s.	Yes
2	Contribution Toward Knowledge Building	2, 3	10	Students' ability to research, analyse and resolve problems, and to communicate arguments orally and in writing will be tested. Students' ability to analyse and critically evaluate the law will be tested.	Yes

Continuous Assessment (%)

40

Examination (%)

60

Examination Duration (Hours)

2

Minimum Continuous Assessment Passing Requirement (%)

40

Minimum Examination Passing Requirement (%)

40

Additional Information for ATs

Final Examination: Students' ability to apply the principles of company law to given situations, to resolve problems, and to communicate arguments in writing will be tested.

The use of Generative AI tools is only allowed as specified in instructions provided by the course leader for research paper and contribution toward knowledge building. The use of Generative AI tools is not allowed in Examination.

Grading of Student Achievement: Standard (A+ A A- ... F)

Applicable to students admitted from Semester A 2022/23 to Summer Term 2024 To pass this course students must obtain an aggregate mark of 50% and a minimum of 50% in each of the coursework and the examination elements of the assessment. Coursework for this purpose means those ways in which students are assessed otherwise than by the end of session examination.

Applicable to students admitted before Semester A 2022/23 and in Semester A 2024/25 and thereafter

To pass this course students must obtain an aggregate mark of 40% and a minimum of 40% in each of the coursework and the examination elements of the assessment. Coursework for this purpose means those ways in which students are assessed otherwise than by the end of session examination.

The portion of the overall mark allocated to performance/participation in inter-active in class activities will be assessed on the quality of the participation. Assessment criteria for those activities, their nature and their timing will be set out in the study guide/course manual and will be further expanded upon by the course leader.

The duration of the examination is 2 to 3 hours.

To enable the full benefit to be obtained from this course, students should attend all of the classes, read analytically the assigned material, and participate actively in tutorials.

Assessment Rubrics (AR)

Assessment Task

Examination (for students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter)

Criterion

1.1 Perspicacity in identifying the nature of the legal issue/s implicated

Excellent

(A+, A, A-) High

Good

(B+, B, B-) Significant

Fair

(C+, C, C-) Moderate

Marginal

(D) Basic

Failure

(F) Inadequate

Assessment Task

Examination (for students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter)

Criterion

1.2 Sophistication in analysis

Excellent

(A+, A, A-) High

Good

(B+, B, B-) Significant

Fair

(C+, C, C-) Moderate

Marginal

(D) Basic

Failure

(F) Inadequate

Assessment Task

Research paper (for students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter)

Criterion

2.1 Depth of research

Excellent

(A+, A, A-) High

Good

(B+, B, B-) Significant

Fair

(C+, C, C-) Moderate

Marginal

(D) Basic

Failure

(F) Inadequate

Assessment Task

Research paper (for students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter)

Criterion

2.2 Synthesis and argument

Excellent

(A+, A, A-) High

Good

(B+, B, B-) Significant

Fair

(C+, C, C-) Moderate

Marginal

(D) Basic

Failure

(F) Inadequate

Assessment Task

Class participation (for students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter)

Criterion

3.1 Preparedness and contribution

Excellent

(A+, A, A-) High

Good

(B+, B, B-) Significant

Fair

(C+, C, C-) Moderate

Marginal

(D) Basic

Failure

(F) Inadequate

Assessment Task

Class participation (for students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter)

Criterion

3.2 Ability to work in groups

Excellent

(A+, A, A-) High

Good

(B+, B, B-) Significant

Fair

(C+, C, C-) Moderate

Marginal

(D) Basic

Failure

(F) Inadequate

Assessment Task

Examination (for students admitted from Semester A 2022/23 to Summer Term 2024)

Criterion

1.1 Perspicacity in identifying the nature of the legal issue/s implicated

Excellent

(A+, A, A-) High

Good

(B+, B) Significant

Marginal

(B-, C+, C) Moderate

Failure

(F) Inadequate

Assessment Task

Examination (for students admitted from Semester A 2022/23 to Summer Term 2024)

Criterion

1.2 Sophistication in analysis

Excellent

(A+, A, A-) High

Good

(B+, B) Significant

Marginal

(B-, C+, C) Moderate

Failure

(F) Inadequate

Assessment Task

Research paper (for students admitted from Semester A 2022/23 to Summer Term 2024)

Criterion

2.1 Depth of research

Excellent

(A+, A, A-) High

Good

(B+, B) Significant

Marginal

(B-, C+, C) Moderate

Failure

(F) Inadequate

Assessment Task

Research paper (for students admitted from Semester A 2022/23 to Summer Term 2024)

Criterion

2.2 Synthesis and argument

Excellent

(A+, A, A-) High

Good

(B+, B) Significant

Marginal

(B-, C+, C) Moderate

Failure

(F) Inadequate

Assessment Task

Class participation (for students admitted from Semester A 2022/23 to Summer Term 2024)

Criterion

3.1 Preparedness and contribution

Excellent

(A+, A, A-) High

Good

(B+, B) Significant

Marginal

(B-, C+, C) Moderate

Failure

(F) Inadequate

Assessment Task

Class participation (for students admitted from Semester A 2022/23 to Summer Term 2024)

Criterion

3.2 Ability to work in groups

Excellent

(A+, A, A-) High

Good

(B+, B) Significant

Marginal

(B-, C+, C) Moderate

Failure

(F) Inadequate

Part III Other Information**Keyword Syllabus**

- Historical development of the registered company.
- Different forms of business organisations: sole proprietorship; partnership, registered company.
- Partnership law principles.
- Legal personality, liability of companies and piercing the corporate veil.
- The constitution of registered companies (memorandum and articles).
- Corporate capacity.
- Corporate contracting.
- Corporate management.
- Minority protection.
- Corporate governance.

Detailed Syllabus:

- The historical and economic background to the development of the registered company in Hong Kong.
- An examination of the organisational modes in which business activities may be conducted: sole proprietorship; partnership, registered company – their legal status powers and characteristics.
- Partnership law – nature of partnership, creation of a partnership, powers and duties of partners, relationship with persons dealing with the firm, dissolution of partnerships.
- Comparison of partnerships and registered companies.
- Legal personality, liability of companies and piercing the corporate veil.
- The constitution of registered companies, the effect of the memorandum and articles. Constitutional change; alteration of articles and memorandum, alteration of class rights.
- Corporate capacity.
- Corporate management: Directors and their duties; division of power and role of board of directors and members meetings.
- Directors' authority, agency principles, and Turquand's case.
- Minority protection; rule in *Foss v Harbottle* and exceptions, just and equitable winding-up, unfair prejudice.
- Corporate governance.

Reading List**Compulsory Readings**

Title	
1	Nil

Additional Readings

Title	
1	Text: Stefan Lo & Charles Qu, <i>Law of Companies in Hong Kong</i> , Sweet & Maxwell (latest edition).
2	Statutes: Companies Ordinance (Cap 622), You are advised to print a paper copy from the pdf available from https://www.elegislation.gov.hk/ , or purchase a copy from a commercial publisher.
3	Recommended Readings:

4	Books:
5	Gower and Davies' Principles of Modern Company Law, Sweet and Maxwell, London (latest edition)
6	Ford's Principles of Corporations Law, Butterworths, Australia (latest edition)
7	Hicks & Goo's Cases and Materials on Company Law, Oxford University Press, Oxford (latest edition)
8	Morse G, Partnership and LLP Law, Blackstone, London (latest edition)
9	Lindley and Banks on Partnership, Sweet and Maxwell, London (latest edition)
10	Specialist law reports on company law:
11	Butterworths Company Law Cases (BCLC)
12	British Company Cases (BCC)
13	Australian Company Law Cases (ACLC)
14	Australian Corporations and Securities Reports (ACSR)
15	Law journals specialising in company and business law:
16	Australian Journal of Corporate Law (Aust Jnl of Corp Law)
17	Company and Securities Law Journal (C & SLJ)
18	The Company Lawyer (Co Law)
19	Journal of Corporate Law Studies (JCLS)
20	Law reform papers: https://www.cr.gov.hk/en/publications/reports/consultation-archive.htm ; https://www.cr.gov.hk/en/publications/standing/consultation.htm
21	Companies Law Revision Committee, First Report: Protection of Investors, 1971; Second Report: Company Law, 1973
22	Consultancy Report Review of the Hong Kong Companies Ordinance (Pascutto Report) 1997
23	Standing Committee on Company Law Reform Report on Pascutto Report 2000
24	Standing Committee on Company Law Reform Consultation Paper on the Proposals made in Phase I of the Corporate Governance Review 2001
25	Standing Committee on Company Law Reform Consultation Paper on the Proposals made in Phase II of the Corporate Governance Review 2003
26	Consultations on the Rewrite of the Companies Ordinance (Cap. 32) (2007-2011)
27	Subsidiary Legislation for Implementation of the New Companies Ordinance – Phase Two Consultation (2012)
28	Annual Reports of the Standing Committee on Company Law Reform
29	Online Resources:
30	Companies Registry, http://www.info.gov.hk/cr
31	Securities and Futures Commission, http://www.hksfc.org.hk
32	Hong Kong Stock Exchange, http://www.hkex.com.hk/index.htm