IN THE MATTER OF THE COMPANIES ACT CAP 106
AND
IN THE MATTER OF THE COMPANIES (POWERS OF THE REGISTRAR) REGULATIONS SI NO. 71 OF 2016
AND
IN THE MATTER OF HONGRUN INDUSTRY UGANDA COMPANY LIMITED
COMPANY APPLICATION NO. 69744 OF 2026
BRN.80010000769744

XIE GUO JUN::: APPLICANT

VERSUS

1. **WAQAS AHMAD**
2. **CHINESE RUIFONG UNITED DEVELOPMENT COMPANY LIMITED:: RESPONDENTS**

RULING

Before: Daniel Nasasira—Assistant Registrar of Companies

A. *Representation*

The Applicant was represented by Counsel Mutyaba Ivan from M/s DeMott Law. The Respondents did not enter appearance and never filed any statutory declarations in response to the application.

B. *Background*

1. The Applicant is a founding director and shareholder in Hongrun Industry Uganda Limited, a company incorporated together with Zhu Yuetao with each holding 50 shares in the Company.
2. Hongrun Industry Uganda Limited is a company limited by shares and duly incorporated on 9th April 2015 under Registration No. 80010000769744 and shall hereinafter be referred to as the "Company".

3. The First Respondent's name appears on various contested documents as the Company Secretary. However, the Applicant disputes the First Respondent's association with the Company and maintains that he is unknown to the Company.
4. The Second Respondent was duly incorporated as a company limited by shares on 31st October 2018 and appears as a corporate shareholder in the contested Company documents. However, the Applicant disputes the Second Respondent's purported shareholding in the Company.
5. It is the Applicant's contention that the Respondents without lawful authority transferred the Applicant's and Zhu Yuetao's shares to the Second Respondent Company despite the reported death of Zhu Yuetao before the purported transfer was effected and the Applicant not being notified of the transfer.
6. The Applicant further contested a presented annual return form which depicted the first Respondent as the company secretary and both the Applicant and the Late Zhu Yuetao having 50% shares each in the Company.

C. *Applicant's case*

7. The Applicant asserted that while participating in legal proceedings in the People's Republic of China, he was presented with an annual return purportedly filed with the Uganda Registration Services Bureau. The contested annual return dated 9th April 2025 indicated that the Company's shareholding was held equally by the Applicant and Mr. Zhu Yuetao, with each holding 50% of the Company's issued shares. The annual return further purported to bear the signatures of both the Applicant and Mr. Zhu Yuetao.
8. The Applicant contested this position and averred that Mr. Zhu Yuetao's died in 2018, leaving him as the sole shareholder and director in the Company. In support of this averment, the Applicant presented a death certificate issued by the Chinese embassy which confirmed Mr. Zhu Yuetao's death on 18th March 2018, a share transfer agreement between the Applicant and Zhu Yuetao and signed share

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transfer forms to the effect.

9. The Applicant further asserted that due to Mr. Zhu Yuetao's death in 2018, any document purporting to bear his signature after 2018, such as the contested annual return form of 2025, was necessarily fraudulent and incapable of conferring any legal validity. The Applicant also contended that he has been resident in the People's Republic of China since 2018 and as such, he could not have authorized nor signed the contested annual return form.
10. The contested annual return form further indicated that it was presented by the First Respondent in the capacity of Company Secretary. The Applicant disputed this position and maintained that Mr. Mutyaba Ivan has always been the Company Secretary. The Applicant further contended that there is no board or shareholder resolution on record appointing the First Respondent as Company Secretary.
11. The Applicant further asserted that prior to the demise of Mr. Zhu Yuetao, the shareholders had entered into an arrangement pursuant to which the 50 shares previously held by Mr. Zhu Yuetao were transmitted to the Applicant. The Applicant further asserted that pursuant to the same arrangement, Ms. Xie Haoling was duly appointed as a director of the Company and that the requisite documents effecting these changes were duly prepared and filed with the Companies Registry.
12. The Applicant also challenged a board resolution purporting to transfer all his shares and those of Mr. Zhu Yuetao to the Second Respondent as well as the subsequent share transfer forms all dated 16th November 2018 which purported to effect the transfer. The Applicant contended that the authenticity of these documents was questionable and that the transfers could not have been validly effected since he was not resident in Uganda at the time of the purported transfers and Mr. Zhu Yuetao, the other purported signatory had died on 18th March 2018 and could therefore not have executed the said resolution and transfer forms.

13. The Applicant asserted that the forged documents were prepared and lodged with the Companies registry with the intention of unlawfully altering the Company's records and corporate structure. The Applicant also maintained that the purported filings were never sanctioned, approved or authorized by the Company, its lawful directors, shareholders or it's duly appointed Company secretary. In conclusion, the Applicant prayed the Company's register be corrected by expunging the contested documents.

D. <u>Service</u>

14. Upon filing of the Application, summons were duly issued to the Applicant's legal representatives in accordance with Regulation 28(1) of the *Companies (Powers of the Registrar) Regulations, S.I. No. 71 of 2016*. On the appointed date of hearing, Counsel for the Applicant informed the Registrar that attempts had been made to effect personal service upon the Respondents, but these were unsuccessful as the Respondents could not be traced. Consequently, the Applicant caused a copy of the summons to be published in the *New Vision* newspaper dated 24th July 2026. An Affidavit of Service confirming the publication and the circumstances of service was duly filed on the record.

15. On the scheduled hearing date, the Respondents neither entered appearance nor filed statutory declarations in response to the Application as contemplated under section 286 of the Companies Act, Cap. 106. The Applicant's legal representative thereafter sought leave to effect substituted service, having not obtained the requisite leave under Regulation 27(3) of the *Companies (Powers of the Registrar) Regulations* before the earlier publication of the summons. I granted the application for substituted service, following which a hearing notice was published in the *New Vision* newspaper of Monday, 3rd August 2026, at page 41. A further Affidavit of Service was subsequently filed confirming compliance with the substituted-service order.

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16. Notwithstanding the substituted service and the subsequent hearing notice, the Respondents again failed to enter appearance, file any response, or place before the Registrar any statutory declaration evidence as contemplated under section 286 of the Companies Act. The matter therefore proceeded in the absence of the Respondents.

17. Having considered the Affidavits of Service on record, I am satisfied that reasonable and sufficient steps were taken to bring the Application and the hearing proceedings to the attention of the Respondents and that the Respondents, despite having been duly served, elected not to participate in the proceedings. Their failure to enter appearance or file evidence does not, however, relieve the Applicant of the obligation to establish the allegations and reliefs sought on the evidence before the Registrar.

18. Accordingly, I shall determine the Application on the basis of the evidence placed before me by the Applicant, the applicable provisions of the Companies Act, Cap. 106, the *Companies (Powers of the Registrar) Regulations, S.I. No. 71 of 2016*, and the Company's Articles of Association. I shall, in particular, examine the contested documents and the circumstances surrounding their preparation, execution and filing, and determine whether they were validly made in accordance with the Company's Articles of Association and applicable company law, before making such orders as may be warranted for the proper determination of the matter.

E. <u>Issues</u>

19. Accordingly, I find that the issues set out hereunder are sufficient to conclusively determine this application.

    a) *Whether the contested documents were validly passed and filed at the registry?*

    b) *What remedies are available to the Applicant?*

F. ***Determination***

a. ***Whether the contested documents were validly passed and filed at the registry?***

20. The Applicant contended that through a series of forged documents such as a board resolution dated 16th November 2018 and transfer forms effected on the same date, the second Respondent Company was illegally added as a corporate shareholder in the company and was presented to have acquired the total 100 shares from the Company's original shareholders.

21. Furthermore, the Applicant challenged an Annual Return dated 9th April 2025, which was purportedly endorsed by both Mr. Zhu Yuetao and the Applicant. The Applicant contended that at the time of the purported execution of the said document, he was resident in China while Mr. Zhu Yuetao was deceased. Consequently, neither the Applicant nor Mr. Zhu Yuetao could have been in a position to execute or endorse the said document. The contested annual return form also depicted that it was presented by the first Respondent, in a capacity as company secretary. The Applicant also disputed this position and maintained that the company secretary has always been Mr. Mutyaba Ivan and asserted that the first Respondent was unknown to them.

22. In addressing this matter, I shall proceed to specifically examine the contested documents on record and make a deliberation on whether the register needs to be rectified.

a) ***The board resolution and share transfer forms dated 16th November 2018***

23. The said board resolution authorised the transfer of all the shares held by the Applicant and Zhu Yuetao to the Second Respondent. The board resolution was purportedly endorsed by Zhu Yuetao and the Company Secretary. Subsequently, the contested share transfer forms were filed and purportedly endorsed by the Applicant and Zhu Yuetao. It was the Applicant's assertion that he was resident

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in China at the material time and could therefore not have endorsed the said documents. Further, Zhu Yuetao could not have endorsed the said resolution or transfer forms as it was established that he was deceased by the time of their purported execution.

24. Regulation 8(1) of the Companies (Powers of the Registrar) Regulations, S.I. No. 71 of 2016 empowers the Registrar of Companies to rectify and update the Register to ensure its accuracy. In the premises, the Applicant adduced evidence in the form of a notification of death issued by the Chinese Embassy confirming that Mr. Zhu Yuetao, an initial shareholder and director of the Company died on 10th March 2018 and as such, he could not have endorsed the contested board resolution nor subsequently executed one of the transfer forms as it appears on the Companies register.

25. Furthermore, the mode adopted by the Respondents in acquiring Mr. Zhu Yuetao's shares was legally improper. Given that Mr. Zhu Yuetao was deceased at the time of the purported transfer of his shares, the shares ought to have devolved through transmission in accordance with the law governing the shares of a deceased member rather than by way of a purported transfer by the deceased. This position was emphasized by Hon. Justice Vincent Wagona in ***John Mayombo v Prinslo Thomas Kiminta HCT-01-CV-CS-0018-2013*** wherein he observed that; "*the core legal principle of perpetual succession in Company law, ensures that a company's existence is not terminated by the death of its members. This continuity necessitates a clear legal framework for the movement of proprietary interests. The law distinguishes between the "transfer" and "transmission" of shares. A transfer is a voluntary act where a shareholder alienates their interest to another through sale or gift. In contrast, transmission is an automatic process occurring by operation of law upon the death or bankruptcy of a shareholder. In the case of death, shares are transmitted to the legal representative of the deceased.*"

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26. From the foregoing, it is apparent that Regulation 8 of the *Companies (Powers of the Registrar) Regulations, S.I. No. 71 of 2016*, is intended to address errors, irregularities or defects that are apparent from the records maintained by the Registrar and to enable the Registrar to safeguard the accuracy, reliability and integrity of the Companies Register.

27. In the present case, the evidence on record raises a fundamental inconsistency regarding the authenticity and validity of the documents relied upon to effect the impugned transfer of shares. The evidence establishes that Mr. Zhu Yuetao died on 10th March 2018. It follows that he could not, as a matter of fact, have participated in the passing of the contested Board resolution or executed the share transfer forms purportedly presented to and filed by the Companies Registry on 16th November 2018.

28. Similarly, the evidence before the Registrar establishes that the Applicant was resident in China at the material time when the impugned documents were purportedly executed. In the absence of credible evidence demonstrating the Applicant's presence at the place and time of execution, the circumstances surrounding the documents materially undermine their authenticity and validity.

29. I therefore find that the purported Board resolution, which purportedly authorised the transfer of the shares, could not validly have been passed in the manner represented on the face of the document. Consequently, the subsequent share transfer forms lodged with the Companies Registry and which resulted in the Second Respondent being recorded as the sole shareholder of the Company were founded upon an invalid and irregular transaction.

30. The Registrar cannot properly maintain on the Companies Register entries that are shown, on the face of the record and upon the evidence before the Registrar, to have been founded upon documents that could not lawfully have been executed or passed in the manner represented. To allow such entries to remain would

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undermine the accuracy and integrity of the Company Register and perpetuate a record that does not reflect a valid corporate transaction.

31. Accordingly, pursuant to Regulation 8 of the *Companies (Powers of the Registrar) Regulations, S.I. No. 71 of 2016*, I find that the contested Board resolution and the consequential share transfer forms were irregularly and unlawfully filed. The same are therefore ordered to be expunged from the Companies Register, together with any consequential entry made on the basis thereof.

b) The annual return form dated 9th April 2025

32. As observed above, Regulation 8(1) of the *Companies (Powers of the Registrar) Regulations, S.I. No. 71 of 2016* empowers the Registrar to rectify and update the Companies Register where necessary to ensure that the information contained therein is accurate and reliable. The exercise of that power presupposes, however, that the document or entry complained of forms part of, or has been incorporated into, the Companies Register.

33. In the present matter, the Applicant challenged the purported 2025 annual return in its entirety. He contended, *inter alia*, that the return purportedly bore the endorsement of a deceased director, had been presented by a person represented as the Company Secretary who was unknown to him, and contained inaccurate information concerning the Company's directorship and shareholding.

34. I have carefully perused the Companies Register and the documents placed before me. A search of the Company's records does not disclose a registry copy of the purported 2025 annual return. This finding is significant because the Registrar's powers under Regulation 8(1) are directed at the correction or rectification of entries and documents forming part of the Register. Where a document was never filed or incorporated into the Register, there is, strictly speaking, no registered entry capable of being rectified under that provision.

35. Furthermore, the Company's filing history raises a fundamental difficulty regarding the authenticity of the purported annual return. Company records indicate that the Company's last annual returns were filed in 2018, with no evidence on record of any returns having been filed for the intervening years between 2018 and 2025.

36. It is a well-established requirement under company law practice that annual returns must be filed sequentially and in chronological order, with each preceding year's return filed before a return for a subsequent year can be validly lodged and accepted onto the register. This requirement exists precisely to ensure the accuracy, continuity, and integrity of the register, as each annual return builds upon and confirms particulars carried forward from the preceding filing — including particulars of shareholding, directorship, and registered office, among others.

37. In these circumstances, the purported filing of a 2025 annual return, without the intervening years' returns having first been filed, is inconsistent with this ordinary and mandatory filing sequence. A registry system so structured could not, in the ordinary course, have accepted a 2025 return in isolation without the preceding years' returns first being on record. This materially undermines the contention that the document was lawfully filed and accepted by the Companies Registry in 2025, and raises a serious question as to its authenticity.

38. Additionally, the discrepancies in the document itself reinforce that conclusion. The return has erroneous information as to the directorship and shareholding status of the Company. The purported return further identifies the First Respondent as Company Secretary, yet there is no corresponding record or other supporting documentation on the Companies Register evidencing his appointment to that office.

39. I have also considered the physical features of the purported annual return, including the stamps attributed to the Companies Registry. The stamps appearing on the document are materially inconsistent in their form and appearance with the official stamps ordinarily used by the Registry. More importantly, there is no corresponding registry record establishing that the document was received, processed, approved or registered by URSB in the form in which it has been presented before this Office.

40. These inconsistencies are not merely clerical or administrative errors; they concern the fundamental particulars of the Company, including the identity of its directors, Company Secretary and members, and therefore materially affect the accuracy and integrity of its corporate records. In my view, had the purported annual return been genuinely presented to and processed by the Companies Registry through the ordinary filing procedure, these material discrepancies would inevitably have attracted scrutiny and clarification and the return would not have been accepted for registration in the form presented. The absence of any corresponding registry record, coupled with the apparent use of unauthorised or fabricated Registry stamps, strongly suggests that the document was created outside the official filing process and subsequently presented as though it had been duly registered by the Companies Registry.

41. Taking the evidence as a whole, I find that the purported 2025 annual return was not filed with or accepted by the Companies Registry. The document therefore does not constitute a registered annual return capable of rectification under Regulation 8(1). The purported Registry endorsements appearing upon it are, on the evidence before me, unauthenticated and appear to have been fabricated or otherwise placed upon the document without authority. I consider this matter sufficiently serious to warrant appropriate caution regarding the possible use or

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presentation of purported Company documents bearing unauthorised Registry endorsements.

42. It is important to distinguish between a document that is genuinely filed but contains erroneous information and a document that was never filed with the Registrar in the first place. Regulation 8(1) provides a mechanism for the former; it cannot be invoked to give legal or evidential effect to the latter. The absence of the purported annual return from the official Company file is therefore dispositive of the Applicant's request insofar as it seeks rectification of that particular document.

43. In the circumstances, this Office cautions members of the public, financial institutions and other persons or entities dealing with companies against relying solely upon documents presented as company records without independently verifying their authenticity and status with the Companies Registry. Where necessary, such documents should be obtained or certified directly from the Registry. This is particularly important in circumstances such as the present one, where a document purporting to be an official company filing may contain Registry endorsements yet have no corresponding record on the official Company file.

44. Indeed, had the purported 2025 annual return been subjected to verification against the Company's official records, the discrepancies concerning the directors, Company Secretary, shareholding and filing history would have been apparent. Verification with the Companies Registry is therefore not merely a procedural safeguard; it is an essential means of protecting members of the public and institutions from relying upon unauthorised, inaccurate or fabricated company records.

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b. What remedies are available to the Applicant?

45. Regulation 8 (1) of the Companies (Powers of the Registrar) Regulations SI No. 71 of 2016 gives powers to the Registrar of Companies to rectify and update the register to ensure that it is accurate. Regulation 8 (2) goes further to state that the Registrar may expunge from the register any information or document included in the register which;

    a. Is misleading

    b. Is inaccurate

    c. Is issued in error

    d. Contains an entry or endorsement made in error

    e. Contains an illegal endorsement

    f. Is illegally or wrongfully obtained

46. In light of the findings in this case discussed above, pursuant to Regulations 8(1) and 23 (e) of the Companies (Powers of the Registrar) Regulations, 2016, I make the following orders;

    a) The Board resolution filed on 16th November 2018, authorizing the transfer of shares from Zhu Yuetao and Xie Guojun to Chinese Ruifong United Development Company Limited be expunged from the register for having been illegally endorsed and wrongfully obtained.

    b) The transfer of share stock form dated 16th November 2018, signed by Zhu Yuetao be expunged from the register for having been illegally endorsed and wrongfully obtained.

    c) The transfer of share stock form dated 16th November 2018, signed by Xie Guojun be expunged from the register for having been illegally endorsed and wrongfully obtained.

    d) I make no order as to costs.

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I so order.

Given under my hand this 21st day of August 2026

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Daniel Nasasira

Assistant Registrar of Companies