

CASE SUMMARY

Woon Kim Choy & Anor v Acexide Technology Sdn Bhd

Federal Court affirms that directors can be “workmen” under the
Industrial Relations Act 1967

 **Industrial Relations Act 1967**

Facts

Woon Kim Choy and Chang Heng Keong were founding shareholders and executive directors of Acexide Technology Sdn Bhd, a company they helped build from its incorporation in 1996. They drew regular salaries, contributed to EPF and SOCSO, and appeared on the company’s register of employees. In November 2019, the majority shareholder (BH Lim) convened an EGM and removed them as directors. The company maintained they had never been employees – their removal as directors ended any connection. Woon and Chang argued they were also employees and had been dismissed without just cause.

Legal Issue

Whether a company director can also be a “workman” within the meaning of section 2 of the Industrial Relations Act 1967, and therefore bring a claim for unfair dismissal.

Held (Federal Court, 24 June 2026)

The Federal Court unanimously upheld the Court of Appeal’s decision. Woon and Chang were “workmen” under the Act and had been dismissed without just cause or excuse. The company’s appeals were dismissed with costs of RM150,000, and the award of approximately RM2 million (compensation in lieu of reinstatement, back wages, and interest) was affirmed.

Key Reasoning

- The Court of Appeal had expressly rejected the old *Inchcape* rule that directors can never be employees. The correct test is whether a genuine contract of service exists – not the person’s title.
- The evidence – monthly salary, EPF/SOCSSO contributions, EA forms, payroll slips, and the register of employees – showed that the men were wage earners, not merely directors.
- A minority oppression action (a shareholder remedy) does not preclude an employment claim; the two roles are not mutually exclusive.
- The company’s procedural objections (Order 53, Rules of Court 2012) did not deprive the court of jurisdiction. Procedural non-compliance is not a jurisdictional defect.

Practical Significance

Executive directors who perform operational duties, draw a salary, and are treated as employees in payroll and tax records may be “workmen” entitled to bring unfair dismissal claims. Companies cannot rely on the *Inchcape* rule to deny employment rights. The case also illustrates that an appellate court can award compensation directly without remitting the matter to the Industrial Court, and that a jurisdictional defence, if it fails, leaves no room to fall back.

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