

34/40

No. 13 of 1979

IN THE JUDICIAL COMMITTEE OF THE PRIVY COUNCIL

O N A P P E A L

FROM THE COURT OF APPEAL IN SINGAPORE

B E T W E E N :

COSMIC INSURANCE CORPORATION
LIMITED

Appellants
(Respondents)

- and -

KHOO CHIANG POH

Respondent
(Appellant)

RECORD OF PROCEEDINGS

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Solicitors for the Appellants

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IN THE JUDICIAL COMMITTEE OF THE PRIVY COUNCIL

O N A P P E A L
FROM THE COURT OF APPEAL IN SINGAPORE

B E T W E E N :

COSMIC INSURANCE CORPORATION Appellants
(Respondents)

- and -

10 KHOO CHIANG POH Respondent
(Appellant)

RECORD OF PROCEEDINGS

No. 1

Statement of Claim (Indorsed
on Writ of Summons)

In the High
Court

No. 1
Statement of
Claim
(indorsed on
Writ of
Summons) 22nd
January 1974

20 1. By an agreement in writing contained in a
letter dated the 15th August, 1971, addressed to
Messrs. H.T. Sam & Co., and signed by the
Promoters of the Defendants, it was agreed that the
Defendants should employ the Plaintiff and the
Plaintiff should serve the Defendants as its
managing Director for life unless he resigns, dies,
or commits an offence under the Companies Act or is
prohibited to become a director under the Companies
Act for any offence.

2. The agreement referred to aforesaid was
confirmed by a Resolution of the first meeting of
the directors of the Defendants held on the 26th
September, 1971.

30 3. The Plaintiff was accordingly appointed by the
Defendants and he did serve as its Managing
Director for life on the following terms:-

1.

In the High
Court

No. 1
Statement of
Claim
(indorsed on
Writ of
Summons) 22nd
January 1974
(cont'd)

- (a) Monthly salary including allowances of
\$3,500.00;
- (b) Annual donation and miscellaneous
expenditure of \$5,000.00;
- (c) Annual payment of 1% of the gross premium of
the whole of the Defendants' business;
- (d) Annual 10% bonus on net profit of business;
- (e) Monthly director's fee of \$150.00;
- (f) Annual bonus;
- (g) Two months' paid annual leave. 10

4. It was an implied term of the said agreement that the Plaintiff should enjoy from his said employment as Managing Director for life of the Defendants in addition to the terms mentioned in paragraph 3 aforesaid, the publicity and reputation which would result from his being the Principal Officer and Managing Director of the Defendants.

5. Whilst the Plaintiff was the Defendants' Managing Director for life he did not at any time resign or commit any offence under the Companies Act or was prohibited to become a director under the Companies Act. 20

6. In breach of the said agreement the Defendants through its agents the Board of Directors on the 23rd day of July, 1973 wrongfully suspended the Plaintiff's service as Managing Director of the Defendants.

7. In further breach of the said agreement the Defendants by resolution dated the 30th day of November, 1973, wrongfully terminated the said agreement by removing the Plaintiff as its Managing Director for life. 30

8. The Defendants also published or caused to be published the removal of the Plaintiff from his employment as Managing Director in the English and Chinese Newspapers circulating in Singapore.

9. As a result of the said breach of contract and publication aforesaid the Plaintiff has suffered damage. 40

In the High Court

No. 1
Statement of Claim
(indorsed on Writ of Summons) 22nd January 1974
(cont'd)

| | | | |
|-----|--|-------------------|----|
| | Balance brought forward | £16,500.00 | |
| (d) | 10% bonus of net profits of business for 1972 (approx. £350,000.00) | £35,000.00 | |
| (e) | Director's fee from June to November, 1973 @ £150.00 per month | £ 750.00 | |
| (f) | Two months' bonus for 1973 | £ 7,000.00 | |
| | Less: C.P.F. | <u>£ 300.00</u> | 10 |
| | | £6,700.00 | |
| | | £79,915.00 | |
| (g) | Pay in lieu of leave for 1972 & 1973 2 months per year @ £3,500.00 per month | <u>£14,000.00</u> | |
| | | <u>£93,915.00</u> | |

And the Plaintiff claims:

- (1) The said sum of £93,915.00;
- (2) Damages for breach of contract and loss of reputation;
- (3) Damages for loss under paragraph 10 above-mentioned;
- (4) Interest on any sum awarded at the rate of 8% per annum from the 1st day of December, 1973 until judgment;
- (5) Such further or other relief;
- (6) Costs.

Signed S.K. Lee & Company
Solicitors for the Plaintiff

BEFORE THE ASSISTANT REGISTRAR,
MR. R.E. MARTIN

IN CHAMBERS

10 Upon the adjourned application of the above-named Plaintiff made by way of Summons in Chambers entered No. 389 of 1974 coming on for hearing this day and upon hearing the solicitors for the Plaintiff and for the Defendant IT IS ORDERED BY CONSENT that:-

1. The Plaintiff do file and serve on the Defendants within 4 weeks of the date hereof, particulars in writing of the Statement of Claim:

Under paragraph 3

Give full particulars of the agreement which offered the alleged terms (a) to (g) to the Plaintiff.

20 Of the alleged agreement, state the date on which and the place at which it is alleged that the agreement was made, stating whether the alleged agreement was oral or written, and if written identifying the document or documents in which it is alleged that it was embodied.

Under paragraph 4

Give full particulars of the appointment of the Plaintiff as the principal officer.

Under paragraph 11

30 Give full particulars of the resolutions passed by the Defendants and set out the alleged benefits to the Plaintiff for each resolution.

2. The time for service of the Defence herein be extended for 4 weeks after the service of the said particulars.

3. The costs of and occasioned by this application be costs in the cause.

Dated the 1st day of April, 1974.

Signed Khoo Oon Soo
ASSISTANT REGISTRAR.

Further and Better Particulars
of the Statement of Claim

Further and better particulars of the
Statement of Claim.

Served pursuant to Order dated the 1st day of
April, 1974.

1. Under paragraph 3

Give full particulars of the agreement which
offered the alleged terms (a) to (g) to the Plaintiff. 10

Of the alleged agreement, state the date on
which and the place at which it is alleged that the
agreement was made, stating whether the alleged
agreement was oral or written, and if written,
identifying the document or documents in which it
is alleged that it was embodied.

The terms (a) to (e) are contained in the
following resolutions passed by the Defendant
company:-

- (a) By resolution passed at the 13th meeting of
the Board of Directors held on the 25th June,
1972, the Plaintiff's salary including
allowance was increased from \$2,500.00 to
\$3,500.00 per month with effect from 1st
July, 1972. 20
- (b) By the same resolution above mentioned
donations and miscellaneous expenditure
payable to the Plaintiff was fixed at
\$5,000.00 per year with effect from 1st
July, 1972. 30
- (c) By resolution passed at the 1st meeting of
the Board of Directors of the Defendant
company on the 26th September, 1971, it was
resolved that 1% of the gross premium of the
whole of the Defendants' business be granted
to the Plaintiff.
- (d) By resolution passed at the 7th meeting of
the Defendant company held on the 9th
January, 1972 it was resolved that a 10%
bonus on the net profit of the Defendants'
business be paid. 40

(e) By resolution passed at the 8th meeting of the Defendant company held on the 30th January, 1972, it was resolved that a directors allowance of \$150.00 per month be paid with effect from the 16th January, 1972.

In the High Court
Further and Better Particulars of the Statement of Claim
26th April 1974.
(cont'd)

Term (f) - The payment of an annual bonus applied to all members and staff of the Defendant company.

10 Term (g) - The Plaintiff was entitled to 2 months' paid annual leave as he was the Principal and Chief Executive Officer of the Defendant company.

2. Under paragraph 4

Give full particulars of the appointment of the Plaintiff as principal officer.

The Plaintiff was the Principal Officer by virtue of the fact that he was the Chief Promoter of the Defendant company and that the application to the Insurance Commissioner for a licence was made by him.

20 3. Under paragraph 11

Give full particulars of the resolutions passed by the Defendants and set out the alleged benefits to the Plaintiff for each resolution.

The particulars of the resolution are as stated in paragraph 1 above mentioned.

Dated the 26th day of April, 1974.

Signed S.K. LEE & COMPANY
Solicitors for the Plaintiff.

30 TO: The abovenamed Defendants
and to their Solicitors,
Messrs. Donaldson &
Burkinshaw,
Singapore.

In the High
Court

No. 4

No. 4
Defence, Set-
off and
Counterclaim
24th May 1974

Defence, Set-Off and Counter-
claim

DEFENCE

1. Save that the Defendants admit that there was a letter dated 15th August, 1971 addressed to H.T. Sam & Company by the promoters of the Defendant Company regarding the proposed incorporation of the Defendant Company, the Defendants deny paragraph 1 of the Statement of Claim. 10

2. The Defendants say that if there had been the agreement in writing dated the 15th August, 1971, which is denied, that the Plaintiff would be employed by the Defendants as their Managing Director for life on the terms mentioned therein, such purported agreement is in law not binding on the Defendants as the promoters could not be agents for the Defendants which were not in existence at the material time. The Defendant Company was incorporated on the 16th day of September, 1971. 20

3. The Defendants deny paragraph 2 of the Statement of Claim. The said agreement, which is denied, could not in law be ratified or confirmed by the Defendant Company as alleged or at all as the purported agreement was made before the date of incorporation of the Defendant Company.

4. The Defendants admit that the Defendants did employ the Plaintiff as their Managing Director but not on the terms alleged in paragraph 3 of the Statement of Claim. 30

5. Regarding the further and better particulars of paragraph 3 of the Statement of Claim filed on the 26th April, 1974 herein, the Defendants say as follows:

(a) The Defendants admit that by a resolution of the Board of Directors of the Defendant Company dated the 25th June, 1972, the monthly salary and allowance of the Plaintiff was increased from \$2,500.00 to \$3,500.00 with effect from the 1st July, 1972. However, by a resolution passed by the Board of Directors at the 2nd Extraordinary Meeting of the Defendant Company on the 10th June, 1973, the 40

monthly salary and allowance of the Plaintiff was reduced with the consent of the Plaintiff with effect from the 1st July, 1973 from \$3,500.00 to \$2,500.00.

In the High
Court

No. 4
Defence, Set-
off and
Counterclaim
24th May 1974
(cont'd)

10 (b) The Defendants admit that an annual donation and miscellaneous expenditure of \$5,000.00 with effect from the 1st July, 1972 was approved by the Defendants but say that such an annual sum was not approved or authorised by the Defendants at any time to be paid to the Plaintiff for his personal use or benefit.

20 (c) The Defendants admit that 1 per cent of the annual gross premium was payable to the Plaintiff as alleged but say that by a resolution of the Board of Directors of the Defendant Company dated the 10th June, 1973, it was resolved that the Plaintiff was only allowed to retain this 1 per cent of the annual gross premium subject to approval by the Commissioner of Insurance and that in the event of disapproval thereof by the Commissioner of Insurance, the Plaintiff would have to refund any such payment immediately to the Defendants. By his letter dated the 8th January, 1973 addressed to the Plaintiff, the Commissioner of Insurance disapproved of such commission or allowance of 1 per cent of the annual gross premium payable to the Plaintiff and directed that this be withdrawn by the Defendants and that the Plaintiff must reimburse the Defendants whatever amount that the Plaintiff might have drawn in advance out of this commission or allowance.

30 (d) The Defendants admit this term but say that the Resolution was dated 9th January, 1972 and that the 10 per cent bonus was reasonably implied to be payable only to ordinary staff members and not to the Plaintiff who would jointly with the Manager and Assistant Manager in their discretion decide such payment if the Defendants should enjoy an annual nett profit.

(e) The Defendants admit this term.

40 (f) The Defendants deny this term as the Defendants were under no obligation or liability whatsoever to pay any annual bonus to the Plaintiff or any member of the Defendant Company.

(g) The Defendants deny this term.

In the High
Court

No. 4
Defence, Set-
off and
Counterclaim
24th May 1974
(cont'd)

6. The Defendants deny paragraph 4 of the Statement of Claim and the further and better particulars thereof filed on the 26th April, 1974 herein.

7. The Defendants do not admit paragraph 5 of the Statement of Claim.

8. Save that the Defendants admit that the Plaintiff was suspended lawfully by the Defendants on the 23rd July, 1973 from his service as the Managing Director of the Defendant Company, the Defendants deny paragraph 6 of the Statement of Claim. 10

9. Save that the Defendants admit that the services of the Plaintiff was lawfully terminated by the Defendants as their Managing Director by an Extraordinary General Meeting Resolution dated the 30th November, 1973 the Defendants deny paragraph 7 of the Statement of Claim.

10. The Defendants admit paragraph 8 of the Statement of Claim. 20

11. The Defendants deny paragraphs 9 and 10 of the Statement of Claim.

12. Save that the Defendants admit that there is a sum of \$750.00 director's fee payable to the Plaintiff, the Defendants deny paragraph 11 of the Statement of Claim and the further and better particulars thereof filed on the 26th April, 1974, herein. The Defendants had tendered payment of the said sum of \$750.00 to the Plaintiff before the commencement of these proceedings but the Plaintiff refused or neglected to accept the said tender of payment. 30

13. Regarding particular (d) of paragraph 11 of the Statement of Claim, the Defendants also say that there was no nett profit for 1972 for the Defendant Company and that the 10 per cent bonus as alleged or at all was not therefore payable by the Defendants.

14. Save as has hereinbefore been expressly admitted, the Defendants deny each and every allegation contained in the Statement of Claim as if the same was set out herein seriatim and specifically traversed. 40

SET-OFF AND COUNTERCLAIM

In the High
Court

No. 4
Defence, Set-
off and
Counterclaim
24th May 1974
(cont'd)

15. The Defendants repeat paragraphs 4 and 5 of the Defence herein.

16. The Plaintiff without prior consent from the Defendants advanced to himself a sum of \$6,000.00 in February, 1973, and \$10,000.00 in April, 1973 for the years 1972 and 1973, the payment of which was admitted in Particular (c) of paragraph 11 of the Statement of Claim.

10 17. The payment of 1 per cent of the annual gross premium as commission or allowance to the Plaintiff was disapproved by the Commissioner of Insurance and who directed that the Plaintiff would have to reimburse the Defendants whatever amount which the Plaintiff might have drawn in advance.

And by way of set-off and counter-claim the Defendants claim against the Plaintiff:

(a) The sum of \$16,000.00;

20 (b) Interest on the sum of \$6,000.00 and \$10,000.00 at 8 per cent per annum from the 13th February, 1973 and the 5th April, 1973, respectively to date of Judgment or payment; and

(c) Costs.

Dated the 24th day of May, 1974.

Signed DONALDSON & BURKINSHAW

Solicitors for the Defendants

30 To: The Plaintiff
and his Solicitors,
Messrs. S.K. Lee & Co.,
Singapore

In the High
Court

No. 5

No. 5
Reply and
Defence to
Set-off and
Counterclaim
24th June
1974.

Reply and Defence to Set-Off
and Counterclaim

1. Save and in so far as the same consists of admissions, the Plaintiff joins issue with the Defendants upon their Defence.

2. As regards the set-off and Counterclaim of the sum of \$16,000.00, the Plaintiff admits that he received the said sum but denies that he advanced the said payment to himself without the prior consent from the Defendants. 10

3. The Plaintiff says that payment of the said sum of \$16,000.00 was made to him by two cheques countersigned by Teo Kai Teck another director and Boo Leng Cheng the Assistant Accountant of the Defendants and authorised by the latter.

4. Paragraph 17 of the Defendants' set-off and Counterclaim is not admitted. The letter from the Commissioner of Insurance dated the 8th January, 1973, and addressed to the Plaintiff contained only a proposition of the Commissioner to which the Plaintiff has given his reply in writing dated the 7th February, 1973. 20

5. In the premises, the Plaintiff says that the Defendants are not entitled to the repayment of the said sum of \$16,000.00 or any other relief.

Dated and served the 24th day of June, 1974.

Signed S.K. LEE & COMPANY

Solicitors for the Plaintiff.

To: The Defendants and their Solicitors,
Messrs. Donaldson & Burkinshaw,
Singapore. 30

Monday, 23rd February, 1976

Coram: Kulasekaram J.

Mr. Peter Lee for Plaintiff

Mr. J. Grimberg for Defendants.

Mr. Lee: Puts in 2 agreed bundles of documents - together marked ABl - 293.

10 The preliminary issue which is a point of law if decided first Mr. G. will open on that.

I shall refer to: ABl6, 17, 18, 19, 20, 34-36.

Mr. G.: Claim for wrongful dismissal.

20 (1) Whether upon its true construction a letter dated 15.8.71 at ABl6 - 17 signed by 12 persons including the Plaintiff and addressed to H.T. Sam & Co. constituted a pre-incorporation contract between the Plaintiff on the one hand and the said 12 persons on the other hand, as agents for the Defendants - the Defendants having been subsequently incorporated on 16.9.71, and

(2) Whether, if the said letter did constitute a pre-incorporation contract between the Plaintiff and the Defendants, the said contract was ratified by resolutions of the Defendants' directors passed on the 26th September, 1971.

Mr. Grimberg outlines the facts.

30 In early 1971 Plaintiff who carried on business as an agent for a number of Insurance Companies approached Mr. Tan E.H. and suggested that they get together a group of businessmen with a view to incorporating an Insurance Company in Singapore wholly owned by Singaporeans to transact all types of insurance business except life.

In due course a number of interested parties came together and on 15.8.71, 12 persons including

In the High
Court

No.6
Notes of
Argument
23rd and 25th
February 1976
(cont'd)

the Plaintiff met at the office of H.T. Sam and gave him authority to proceed with incorporation of a Company to be known as Cosmic Insurance Corporation Ltd.

Mr. Sam drafted a letter addressed to his own firm - AB16 -17 which was signed by the 12 persons

What does Plaintiff say in Statement of Claim of this letter. This letter was written by the promoters to their Solicitors and it was written prior to the formation of the Company. Paragraph 1 of the Statement of Claim 10

That this letter constituted a contract between the Plaintiff and the Defendants.

Letter should be looked at as a whole and when so looked at it becomes clear that it merely records the intentions and instructions of the promoters to their Solicitors. The promoters do not in that letter purport to bind the intended Company nor do they purport to act as agents of the intended Company. This letter cannot be said to amount to a pre-incorporation contract. 20

A pre-incorporation contract is capable of being ratified by a Company after its incorporation pursuant to section 35 of the Company Act. I say this letter here does not fall within ambit of Sec. 35(1).

Refers to Sec. 35(2).

There must be 2 parties to the pre-incorporation contract - the Company on the one hand and the contractor on the other. This did not happen here. This was a joint letter simply setting out certain points upon which the promoters are agreed. If this was in fact not a pre-incorporation contract then that is the end of the matter. If this was a pre-incorporation contract then it had to be ratified to be binding on the parties. 30

Was it ratified here?

The Company was incorporated on 16.9.71 just over 1 month after the letter AB16, 17. 10 days after incorporation a meeting of the Directors of the Company was held. Minutes of that meeting are at AB34 - 37. This document is headed 1st meeting of D. of the Defendant Company. So any meeting previously would be meetings of individual promoters. 40

At AB34 - paragraph 2.

In the High
Court

It merely confirms that the Plaintiff's appointment be subject to the Articles and Memorandum of Association of the Company.

No. 6
Notes of
Argument
23rd and 25th
February 1976
(cont'd)

If there was a contract on 15.8.71 it was not ratified by this resolution.

10 Refers to Resolution 15 at AB36. Minutes of 15.8 and 19.9.71 be confirmed. There are no minutes known to Mr. Lee or me of any meeting held on the 15th August, 1971. The only meeting held on that day was the meeting at Mr. H.T. Sam's office.

Resolution 2 refers to Articles and Memorandum of Association of the Company - the Plaintiff holds office subject to Art. & M. of A. Hands up Art. & M. of A. of the Company - marked D1. Refers to Art. 96 of D1.

20 Neither the contingencies referred to in Art. 101 nor the provisions of Sec. 128 of the Act were discussed or agreed to at the meeting of 15.8.71. Yet it is this Art. 96 which is stated in resolution 2 of AB34 which constituted the terms upon which the Plaintiff was employed. Refers to Sec. 128(1) and (7). In the S. of C. paragraphs 1 & 2.

Summary

30 Letter was not a contract which the Company purported to enter into nor was it a contract entered into by persons purporting to act on behalf of an intended company. Therefore it was not a pre-incorporation contract. If it was a pre-incorporation contract it was not ratified by the Directors. What was ratified was Art. 96 of the Company which is in different terms.

Adjourned to 2.15 p.m.

Hearing resumed

2.15 p.m.

40 Mr. Peter Lee: The Plaintiff is an experienced businessman - agency business (not accepted by the Defendants). The Plaintiff saw a number of people and suggested the formation of an Insurance Company. It was very much by his efforts that the Com. of I. issued the licence.

In the High
Court

No. 6
Notes of
Argument
23rd and 25th
February 1976.
(cont'd)

The Plaintiff agreed with the others - the promoters in the group - on various conditions prior to the incorporation of the Company. These are set out in AB16 - 17.

It is clear by the conditions set out in that letter that the promoters will follow those conditions and carry out those conditions in the name of the Company upon its incorporation. Refers to letter AB18-20. The sequences of facts culminating in the submission of the Memorandum of Article of Association of the Company. The same promoters are to be 1st Directors as they appear in Art. 84. 10

I submit there is a strong inference that those promoters - 12 would become directors. Refers to paragraph (K) at AB20.
paragraph (L)

(Mr. G.: Philip N. Pillai on Company Law (1) Page 74 (2) Page 77. Here they are contracting as trustees of a Company to be incorporated - a clear pre-incorporation contract. Not the case here.) 20

From AB16-20 it is clear that these 12 promoters will become directors upon the incorporation of the Company.

It is only as Directors that they can carry out the intentions expressed in AB16 - 17. In AB16 paragraph (a) it states very clearly the Plaintiff shall

This I say is the agreement between the Plaintiff on the one part and all the promoters on the other acting on behalf of the Company to be incorporated. If it is an agreement it is a transaction under section 35(a) - transaction or arrangement between the promoters and the Plaintiff. 30

This arrangement as at paragraph (a) of AB16 was ratified by the Company after its incorporation by the B. of Directors in its first Directors' meeting.

Resolution No. 2 at AB34 and Resolution No. 15 at AB36.

After the meeting on 15.8.71 the letter AB16 and 17 was the result. 40

The minutes referred to in resolution 15 is regarding meeting of 15.8.71 and are as set out in AB16 & 17 - (Mr. G.: Not conceded by Defendants).

In the High Court

No. 6
Notes of
Argument
23rd and 25th
February 1976
(cont'd)

Minutes of 19.9.71 are at AB31-33. We are only aware of these 2 meetings and no other meetings. So these minutes refer to AB16 - 17 and AB31 - 33.

10 Resolution No. 15 confirms minutes as in AB16-17 and therefore confirms paragraph (a) at AB16. The Plaintiff did receive remuneration or salary as Mg. Director after the incorporation of the Company - this fact is agreed.

I say by this transaction or contract made on 15.8.71 and by ref. to pages AB18 - 20 and page AB34 - Resolution 2 and page AB36 - Resolution 15 and Resolution 5 I say resolution 15 can mean nothing but a confirmation or ratification of what is written in letter of 15.8.71.

20 I say therefore it is a confirmation of the agreement of paragraph (a) of AB16. I say the company can under Sec. 128 name a director before the expiration of the period of office by following the procedure as prescribed but if there is an agreement or something in the articles which provides for a fixed term of office then the Company is liable under sub-section 7 of Sec. 128 for damages or compensation.

1960 (2) AER 239.

Mr. G. is heard in reply.

30 Ct: Adjourned to 10.30 a.m. on 25.2.76 for ruling on the 2 preliminary points.

Intld. T.K.

Wednesday, 25th February, 1976

Counsel as before.

Written ruling given on the 2 preliminary points raised.

Mr. Lee indicates that his client intends to appeal and asks for the further hearing to be adjourned sine die with costs reserved.

40 Mr. G.: I have no objection.

Ct: Adjourned sine die with liberty to apply and costs reserved.

Intld. T.K.

In the High
Court

No. 7

Grounds of Judgment

No. 7
Grounds of
Judgment
25th February
1976

Coram: Kulasekaram, J.

I was invited here, by the counsel of both parties, to decide on 2 preliminary questions.

The first was whether upon its true construction, a letter dated 15/8/71, as at AB16 - 17, signed by 12 persons including the Plaintiff and addressed to Messrs. H.T. Sam & Company, Advocates and Solicitors, constituted a pre-incorporation contract between the Plaintiff on the one hand and the remaining 11 persons on the other hand, as agents for the Defendants, - the Defendants having been subsequently incorporated on 16.9.71.

10

Secondly, whether, if the said letter did constitute a pre-incorporation contract between the Plaintiff and the Defendants, the said contract was ratified by the Defendants by resolutions of the Defendants' directors passed at the first meeting of the Board of Directors of the Defendants on 26th September, 1971, as at AB34-37.

20

In my view, the letter of 15.8.71 (AB16 - 17) from the 12 promoters of the proposed company viz Cosmic Insurance Corporation Limited to Messrs. H.T. Sam, their Solicitors, was nothing more than instructions to them authorising them to prepare and finalise the Memorandum and the Articles of Association of the proposed company and to take the necessary steps to have the proposed company duly incorporated. The reference there to a meeting and the ensuing summary of what was discussed at that meeting was more in the nature of further and more comprehensive instructions as regards the work entrusted to them of incorporating the company.

30

There was nothing in the letter itself to indicate that the portion referring to the meeting was to be treated as the minutes of their meeting of that date - 15.8.71.

It was at best from the minutes of the First meeting of the Board of Directors of Cosmic Insurance Corporation Limited held on 26th September, 1971 - and in particular from resolution No. 15 of

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those minutes, and in the absence of any other minutes of the meeting of 15.8.71 known to the parties, that one can infer that, on and from the 26.9.71, the parties treated that portion of the said letter ABL6-17 referring to the meeting, as the minutes of that meeting of 15.8.71.

In the High
Court

No. 7
Grounds of
Judgment
25th February
1976.
(cont'd)

10 If indeed that portion of the letter ABL6-17 referring to the meeting are the minutes of the meeting held on 15.8.71 by the 12 promoters then the portion of ABL6 that reads

"We hereby agree to the following matters discussed at the meeting:-

- a) Mr. Khoo Chiang Poh shall be the Managing Director for life unless he resigns, dies or commit an offence under the Companies Act or is prohibited to become a Director under the Companies Act for any offences."

20 would indicate that the 12 promoters agreed amongst themselves and expressed their wishes that Mr. Khoo Chiang Poh should become the Managing Director of the proposed company for life on terms indicated there. They so expressed their views for purposes of instructing their Solicitors.

30 In my opinion one cannot read anything more into that portion of the minutes and go so far as to say that it constitutes a pre-incorporation contract or transaction between Mr. Khoo Chiang Poh, the Plaintiff, on the one hand and the other 11 promoters on the other hand as agents of the Company to be incorporated then which company was subsequently incorporated.

In my opinion this portion of the letter ABL6 like the rest of the letter contained essentially instructions to their Solicitor, Mr. H.T. Sam, for preparing and finalising the Memorandum and the Articles of Association of the proposed company and nothing more.

40 So my answer to the first question that was submitted to me is clearly in the negative. If I am wrong on this point and if that portion of ABL6 does in fact represent a pre-incorporation contract between the Plaintiff and the Defendants that the Plaintiff would be made the Managing Director of the Defendant Company on terms set out in that paragraph (a) of the

In the High
Court
No. 7
Grounds of
Judgment
25th February
1976.
(cont'd)

letter AB16 then I shall have to consider the second question whether this pre-incorporation contract was ratified by the resolution No. 2 and resolution No. 15 at AB34 and AB36 respectively of the Directors passed at the first meeting of the Board of Directors held on 26.9.71.

Now by resolution No. 2 at AB34 Mr. Khoo Chiang Poh the Plaintiff was to be appointed the Managing Director of the Defendant Company and was to hold office for life "in accordance to Articles and Memorandum of Association and is responsible to the Board of Directors". Article 96 of the Articles of Association of the Defendant Company spells out in the main the terms of the Plaintiff's appointment as Managing Director of the Defendants. These terms of the Plaintiff's appointment are different from and inconsistent with the terms of employment envisaged and stated in the pre-incorporation contract as in paragraph (a) of AB16. So the Defendant Company by appointing the Plaintiff through this resolution No. 2 did not ratify the pre-incorporation contract.

Resolution No. 15 at AB36 does not carry the matter any further as it merely confirms the minutes of a meeting held on 15.8.71 and so merely declares that what took place at that meeting on 15.8.71 was correctly stated in those minutes.

I find the answer to this second question is also in the negative, that is, the Defendant Company did not ratify the pre-incorporation contract if any as at AB16 paragraph (a) but entered into a fresh contract of employment with the Plaintiff under resolution No. 2 at AB34 the terms of which contract are mainly as in Article 96 of the Articles of Association.

Certified true Copy
Signed P.S. VELAYUTHAN

Signed T. KULASEKARAM

Private Secretary to
Judge
Court No. 7.

J U D G E
25th February, 1976.

Supreme Court, Singapore.

No. 8

Formal Judgment

In the High
Court

No. 8
Formal
Judgment
25th February
1976

The 25th day of February, 1976

This action having come before the Honourable Mr. Justice Kulasekaram on the 23rd day of February, 1976, and this day, and the parties having proceeded to a trial of two preliminary points of law, namely,

1. whether, upon its true construction, a letter dated the 15th August, 1971, signed by twelve (12) persons, including the Plaintiff, to H.T. Sam & Company, constituted a pre-incorporation contract between the Plaintiff, on the one part, and the other eleven (11) persons, as agents for the Defendants, on the other part, the Defendants having been subsequently incorporated on the 16th September, 1971; and
2. whether, if the said letter did constitute a pre-incorporation contract between the Plaintiff and the Defendants, the said contract was ratified by the Defendants by resolutions of the Defendants' Directors passed on the 26th September, 1971.

THIS COURT DOTH DECLARE that the answers to both questions are in the negative, and upon the application of Counsel for the Plaintiff IT IS ORDERED that the hearing of the action be adjourned sine die with liberty to apply and that costs be reserved.

Entered in Volume 154 page 163 at 10.20 a.m. of the 13th day of March, 1976.

Signed JEFFREY CHAN
ASSISTANT REGISTRAR

In the Court
of Appeal

No. 9
Notice of
Appeal
22nd March
1976.

No. 9
Notice of Appeal

Take Notice that Khoo Chiang Poh, being dis-
satisfied with the decision of the Honourable Mr.
Justice Kulasekaram given at Singapore on the 25th
day of February, 1976, appeals to the Court of
Appeal against the whole of the said decision.

Dated the 22nd day of March, 1976.

Signed S.K. LEE & COMPANY
Solicitors for the Appellant

10

To: The Registrar, Supreme Court, Singapore.

The abovenamed Respondents or their Solicitors,
Messrs. Drew & Napier, Singapore.

The address for service of the Appellant is
Nos. 31 and 32, Bank of China Building, 3rd floor,
Battery Road, Singapore 1.

No. 10
Petition of
Appeal
30th April
1976

No. 10
Petition of Appeal

TO THE HONOURABLE THE JUDGES OF THE COURT OF APPEAL

The Petition of the abovenamed Appellant
showeth as follows:

20

1. The appeal arises from two preliminary questions
or points of law stated for the opinion of the Court
(hereinafter referred to as the said questions) in
the Appellant's (Plaintiff's) claim for damages for
wrongful dismissal by the Respondents (Defendants)
from his office as Managing Director for life of
Cosmic Insurance Corporation Limited. The said
questions were:

- (1) Whether upon its true construction, a letter
dated 15.8.71, signed by twelve (12) persons,
including the Plaintiff, to H.T. Sam &
Company, constituted a pre-incorporation
contract between the Plaintiff, on the one

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part, and the other eleven (11) persons as agents for the Defendants, on the other part, the Defendants having been subsequently incorporated on the 16th September, 1971; and

In the Court
of Appeal

No. 10
Petition of
Appeal
30th April
1976
(cont'd)

10 (2) Whether if the said letter did constitute a pre-incorporation contract between the Plaintiff and the Defendants, the said contract was ratified by the Defendants by resolutions of the Defendants' Directors passed on the 26th September, 1971.

2. By Judgment dated the 25th day of February, 1976, Judgment was given for the Respondents; the Learned Trial Judge having answered the said questions in the negative.

3. Your Petitioner is dissatisfied with the said Judgment on the grounds that the Learned Judge was wrong in:-

- 20 (1) deciding that the letter of 15.8.71 was nothing more than instructions from the 12 promoters of the Respondent company to their Solicitors, Messrs. H.T. Sam & Company;
- (2) coming to the conclusion that the 12 promoters were not agents of the Respondent Company;
- (3) failing to consider the fact that your Petitioner was actually appointed by and did actually serve the Respondent Company as its Managing Director for life;
- 30 (4) failing to consider the effect of the letter dated 17.8.71 from Messrs. H.T. Sam & Company to your Petitioner, in particular the contents of sub-paragraphs (b) and (f) therein;
- (5) failing to consider the fact that all the 12 promoters were and are Executive Directors for life of the Respondent Company as evidenced by Article 86 of its Articles of Association;
- 40 (6) failing to consider the provisions of Section 35 of the Singapore Companies Act, (Cap. 185) on the matter of ratification;
- (7) forming the conclusion that the main terms of your Petitioner's appointment as Managing

In the Court
of Appeal

No. 10
Petition of
Appeal
30th April
1976
(cont'd)

Director for life under Article 96 of the Respondents' Articles of Association were different and inconsistent with the terms of employment envisaged in the said letter or pre-incorporation contract of 15.8.71; and

(8) forming the opinion that Resolution No. 15 at AB36 merely confirmed the minutes of the meeting held on 15.8.71 when such confirmation should be held to be amounting to ratification of the said contract dated 15.8.71. 10

4. Your Petitioner prays that such Judgment may be set aside and that the Court will answer the said questions in the affirmative.

Dated the 30th day of April, 1976.

Signed S.K. LEE & COMPANY

Solicitors for the Appellant

To: The abovenamed Respondents and to their Solicitors, Messrs. Drew & Napier, Singapore.

No. 11
Order
1st July
1977

No. 11

ORDER

20

CORAM:

THE HONOURABLE MR. JUSTICE CHUA
THE HONOURABLE MR. JUSTICE CHOOR SINGH
THE HONOURABLE MR. JUSTICE RAJAH

THE 1ST DAY OF JULY, 1977.

ORDER

THIS APPEAL coming on for hearing this day in the presence of the abovenamed Appellant Khoo Chiang Poh appearing in person and Mr. Joseph Grimberg of Counsel for the abovenamed Respondents, the Appellant appealing against the whole of the judgment of the Honourable Mr. Justice Kulasekaram given on the 25th day of February, 1976 AND UPON READING the Record of Appeal and the Appellant's documents tendered herein AND UPON HEARING the Appellant in person and Counsel aforesaid THIS

30

10 COURT DOTH ORDER that this Appeal BE AND IS HEREBY ALLOWED and that the judgment of the Honourable Mr. Justice Kulasekaram dated the said 25th day of February, 1976 for the said Defendants/Respondents Be and is Hereby SET ASIDE and IT IS FURTHER ORDERED that the abovenumbered Action be REMITTED to the said trial Judge for hearing AND IT IS LASTLY ORDERED that there be no Order as to the costs of this Appeal save that the security for the Appellant's costs paid into Court by the Appellant be PAID OUT to the Appellant or to his solicitors, Messrs. Mallal & Namazie.

In the Court
of Appeal

No. 11
Order
1st July
1977
(cont'd)

Dated this 13th day of October, 1977.

Signed Alfonso Ang
ASSISTANT REGISTRAR

No. 12
Grounds of Judgment

No. 12
Grounds of
Judgment
20th July
1977

20 Coram: Chua J.
Choor Singh J.
A.P. Rajah J.

At the end of the hearing of the appeal we allowed the appeal and said that we would give our reasons later. We do so now.

30 The learned trial Judge at the commencement of the trial in Suit 203 of 1974 was invited by Counsel of both parties to decide on two preliminary questions. The first was whether upon its true construction, a letter dated 15th August, 1971, signed by twelve persons including the Plaintiff and addressed to Messrs. H.T. Sam & Company, Advocates and Solicitors, constituted a pre-incorporation contract between the Plaintiff on the one hand and the remaining eleven persons on the other hand, as agents for the Defendants, the Defendants having been subsequently incorporated as a public company on 16th September, 1971.

The aforesaid letter reads as follows:-

In the Court
of Appeal

No. 12
Grounds of
Judgment
20th July
1977
(cont'd)

"To: Messrs. H.T. Sam & Co.,
Advocates & Solicitors,
35-B, New Bridge Road,
Singapore;

re: COSMIC INSURANCE CORPORATION LIMITED

1. We the undersigned, the Promoters of the above proposed Company hereby confirm that the Memorandum & Articles of Association of Cosmic Insurance Corporation Limited shall be thoroughly reviewed and amended by Messrs. H.T. Sam & Co. to suit the requirement of the Companies Act or the Insurance Commissioner and to incorporate same on our behalf with the Registrar of Companies. 10

2. We confirm that you are given full authority to act on our behalf to seek formal approval from the Commissioner of Insurance to underwrite insurance business of all kinds decided by the Promoters and to finalise whatever necessary documentation and proceedings in connection or related to or incidental to the formation of the Insurance Company under the aforesaid name. 20

3. We agree to deposit each of our intended contribution towards the paid up capital to Messrs. H.T. Sam & Co., Solicitor for Cosmic Insurance Corporation Ltd.

4. We hereby agree to the following matters discussed at the meeting:-

a) Mr. Khoo Chiang Poh shall be the Managing Director for life unless he resigns, dies or commit an offence under the Companies Act or is prohibited to become a Director under the Companies Act for any offences; 30

b) That the detailed description of the post to be held by the Promoters as per list marked "A" shall form the basis of the members of the Board of Directors;

c) To accept Mr. Liew Sing Hun to be the Manager of the proposed Insurance company subject to contract of which full details of the terms of employment conditions of service, power of the Manager, duties of 40

the Manager and other conditions, if any, shall be finalised by Mr. Khoo Chiang Poh upon discussion by the Board of Directors with the assistance of Messrs. H.T. Sam & Co.;

In the Court
of Appeal

No. 12
Grounds of
Judgment
20th July
1977
(cont'd)

10

d) That Mr. Khoo Chiang Poh and the Manager shall recruit suitable personnels to fill any posts sufficient enough to enable the insurance company operational. Mr. Khoo Chiang Poh shall have the right to dismiss any staff and to fix the remuneration salary and so on of the staff subject of course to contract working in close liaison with Messrs. H.T. Sam & Co. for the terms and conditions of service. Mr. Khoo Chiang Poh shall report the progress of the company and shall be responsible to the Board of Directors.

20

e) We confirm that the Authorised capital stands at \$3,000,000.00 with the initial pay up of 1.2 million dollars. The \$300,000.00 deposit shall be provided for in cash/securities. If in cash/securities Mr. Khoo Chiang Poh in liaison with Messrs. H.T. Sam & Co. shall finalise such deposit payment;

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f) The maximum number of Directors shall be twenty one (21) who shall be Directors for life subject to his removal on account of resignation, death or prohibition or disqualification for being a Director under the Companies Act.

g) Shares of the Directors for life shall not be transferable to any person whom the Directors consider to be undesirable to admit as a member of a company;

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h) we agree that car owners who purchase insurance with the proposed new company can be offered Preferential shares of certain denominations. Such shares shall be offered to the public (that the car owners who buy insurance from us) at a premium at par value of the Preferential shares as an investment and inducive to insure with the proposed new company;

In the Court
of Appeal

No. 12
Grounds of
Judgment
20th July
1977
(cont'd)

- j) we agree initially to start with General Insurance inclusive of motor excepting life. The other types of insurance will be taken out when the Company feels the necessity to extend coverage for life and other insurance business.
- k) the proposed new company shall also establish subsidiary companies, namely:
 - i) hire purchase
 - ii) property investment
 - iii) corporative society along the lines of the Automobile Association.

10

5. The subsidiary company shall be the name of Cosmic as the first identical word in all the subsidiary companies.

Dated the 15th day of August, 1971."

Secondly, whether if the said letter did constitute a pre-incorporation contract between the Plaintiff and the Defendants, the said contract was ratified by the Defendants by resolutions of the Defendants' Directors passed at the first meeting of the Board of Directors of the Defendants on 26th September, 1971.

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The answer of the learned trial Judge to the first question that was submitted to him was in the negative. We do not agree with this finding of the learned trial Judge for in our opinion the letter of 15th August, 1971 clearly sets out in paragraph 4 the agreement which had been reached, prior to formation of the Company, between the Plaintiff and its eleven other promoters whose signatures appear on the said letter to the effect that the Plaintiff "shall be the Managing Director for life unless he resigns, dies or commit an offence under the Companies Act or is prohibited to become a Director under the Companies Act for any offences;". To hold otherwise would it seems to us, do violence to the language used in paragraph 4. We do not think that the Plaintiff would have spent so much of his time and energy had it not been for such an agreement.

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The answer of the learned trial Judge to the second question was also in the negative, that is,

the Defendant Company did not ratify the said pre-incorporation contract, but entered into a fresh contract of employment with the Plaintiff under Resolution No. 2, namely,

In the Court
of Appeal

No. 12
Grounds of
Judgment
20th July
1977
(cont'd)

"Resolved that Mr. Khoo Chiang Poh be appointed Managing Director and holds office for life in accordance to the Articles and Memorandum of Association and is responsible to the Board of Directors."

10 which was passed at the first meeting of Directors of the Defendant Company held on 26th September, 1971. Here again we do not agree with the learned trial Judge. We find that the said pre-incorporation contract was ratified by the Defendant Company by virtue of the said Resolution No. 2. It is true that the words used in the said Resolution, namely, that the Plaintiff "holds office for life in accordance with the Articles and Memorandum of Association and is responsible to the Board of Directors" are not the same as those used in the said pre-incorporation contract. However, a close and careful reading of the pre-incorporation contract together with Article 96 of the Article and Memorandum of Association of the said Company and Section 128 of the Companies Act will reveal that the said Resolution No. 2 is in effect a ratification of the pre-incorporation contract.

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30 In our view the substance of the letter of 15th August, 1971, clearly falls within the ambit of section 35(1) of the Companies Act and was duly ratified by the said resolution. The appeal was allowed and the case remitted to the trial Judge for hearing.

Signed F.A. CHUA
JUDGE

Signed CHOR SINGH
JUDGE

Signed A.P. RAJAH
JUDGE

40 SINGAPORE,
20th July, 1977.

Certified True Copy
Signed LIM THENG WU

Private Secretary to Judge,
Court No. 3,
Supreme Court, Singapore.

In the Court
of Appeal

No. 13

ORDER

No. 13
Order
13th October
1977.

CORAM:

THE HONOURABLE THE CHIEF JUSTICE
THE HONOURABLE MR. JUSTICE CHUA
THE HONOURABLE MR. JUSTICE A.P. RAJAH IN OPEN COURT

This 13th day of October, 1977

UPON Motion preferred unto Court this day by Mr. Joseph Grimberg of Counsel for the abovenamed Respondents and UPON READING the two affidavits of the said Joseph Grimberg filed herein on the 14th day of September and the 8th day of October, 1977, respectively, AND UPON HEARING Counsel as aforesaid and Mr. Yusuf Jumabhoy of Counsel for the abovenamed Appellant IT IS ORDERED THAT: 10

1. The Respondents be and are hereby at liberty to appeal to the Judicial Committee of Her Britannic Majesty's Privy Council under Order 58 Rule 2 of the Rules of the Supreme Court, 1970 from that part of the Judgment herein of the Court of Appeal dated the 1st day of July, 1977, allowing the said appeal and setting aside the Judgment of the Trial Judge given on the 25th day of February, 1976. 20
2. The Order remitting the Action to the said Trial Judge for continued hearing BE STAYED pending the outcome of the appeal to the Judicial Committee.
3. The usual security for costs be provided by the said Respondents and that the costs of this Application be costs in the cause. 30

Signed Alfonso Ang
ASSISTANT REGISTRAR

EXHIBITS
PLAINTIFF'S EXHIBITS

AB3

Letter H.T. Sam & Company, Singapore
to Insurance Commissioner

AB3
Letter H.T.
Sam & Co. to
Insurance
Commissioner
10th August
1971

Your ref: I.C. 16
Our ref: SHT/MC/236/71

10th August 1971

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The Insurance Commissioner,
Ministry of Finance,
5th Floor,
Fullerton Building,
Singapore 1.

Dear Sir,

re: Incorporation of Cosmic
Insurance Corpn. Ltd.

We act for Mr. Khoo Chiang Poh of No. 14-A,
Dakota Crescent, Singapore 14. Your letter of 25th
June, 1971 has been handed to us with instructions
to reply.

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We are instructed by our client that he very
much appreciates and is thankful for the interview
on 3rd August, 1971 and the guidance you have
accorded our client in connection with the setting
up of an insurance company. We have instructions
from our client to act for him in seeking the
approval to underwrite insurance business under the
proposed name of Cosmic Insurance Corporation
Limited.

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We are now taking steps to comply with the
basis requirement of the Insurance Act and we shall
subsequently set forth our client's full proposal
for the setting up of the insurance company to
underwrite insurance business subject to your
approval since you will have to ascertain under
section 4(5) of the Insurance Act whether our
client's application would constitute sound
insurance principles.

We propose that before the abovenamed company
is sent in for incorporation a copy of the

AB3
Letter H.T.
Sam & Co. to
Insurance
Commissioner
10th August
1971.
(cont'd)

Memorandum & Articles of Association shall be forwarded to you for your information and approval so that if you have any comments to our Memorandum & Articles of Association we shall be glad to entertain same and make the necessary amendments so as to comply with some of the requirements, if any, of the Insurance Act. We hope you would accord us the co-operation since our client Mr. Khoo Chiang Poh and others who are experienced in the field of insurance since they were insurance agents and agency supervisors before and still are have been very eager and keen to render the insurance business solely owned by Singaporeans for the benefit of Singapore citizens to provide coverage beneficial to Singaporeans and basing on sound insurance principles. 10

Yours faithfully,
Signed H.T. Sam & Company

AB 4 - 15
Letter, H.T.
Sam & Co. to
Appellant
10th August
1971

AB 4 - 15
Letter H.T. Sam & Company, Singapore
to Appellant 20

Our ref: SHT/MC/236/71 10th August, 1971

Mr. Khoo Chiang Poh,
14-A, Block 6,
Dakota Crescent,
Singapore 14.

Dear Sirs,

re: Incorporation of Cosmic
Insurance Corporation
Limited 30

We confirm your instructions to our Mr. Sam to act for you in the incorporation of Cosmic Insurance Corporation Limited and to obtain permission and clearance from the Commissioner of Insurance so as to enable the proposed new company to under-write insurance of motor and others.

The letter of the 25th June, 1971 from the Insurance Commissioner of the Ministry of Finance addressed to your goodself has been handed over to

us for our careful consideration. Under paragraph 2 of the said letter it is crystal clear that insurance business can only be carried out by a company registered under the Act and the Act here refers to the Insurance Act. For a company to be registered under the Insurance Act it must first of all be a company incorporated under a Companies' Act. That being the position the bare basic requirements has in the first place not been complied with. Surely and it can be expected that the Commissioner of Insurance is in no position to consider or to "pursue your proposal" using his words in respect of the setting up of the insurance company under the proposed name for the simple reason you have not satisfied the basic requirement under the Insurance Act. Such being the case there is no basis for the Commissioner of Insurance to examine and look into the details and merits of your proposal to set up an insurance company under-writing certain types of insurance for his due consideration. You are of course aware that you have only reserved the name of Cosmic Insurance Corporation Limited on the 10th December, 1970 along with two other names, namely

- (1) Model Insurance Corpn. Ltd.
- (2) Special Insurance Corpn. Ltd.

There has been a lapse of about eight months and from the records you have handed over to us you will of course notice that there are only two letters from the Commissioner of Insurance of which the most vital was his reply to you dated 25th June, 1971.

From your records there is so much to be done and it is extremely important that proper steps has to be taken so as to comply with the requirements of the Insurance Act and by so doing would enable the Commissioner of Insurance to consider your application on the merits of the case. We hope you would follow our advice closely and you can be assured if meetings are required our Mr. Sam will arrange for meetings of the promoters to consider whatever suggestions they have in mind and if meetings are required with the Commissioner of Insurance our Mr. Sam will see him personally to ascertain from him what requirements are lacking in your application so that the necessary approval and permission can be given to you. Up to this stage you have not crystallised your ideas well enough for submission to the Insurance Commissioner.

AB 4 - 15
Letter, H.T.
Sam & Co. to
Appellant
10th August
1971.
(cont'd)

AB 4 - 15
Letter, H.T.
Sam & Co. to
Appellant
10th August
1971.
(cont'd)

The first thing to do is to proceed forthwith the incorporation of Cosmic Insurance Corpn. Ltd. with an authorised capital of 3 million. The incorporation of a limited company is the first step which you should take and that is the basis whereby you as a director and promoter of the company together with the others are in a position to negotiate with the Commissioner of Insurance as to your intention or the company's intention to under-write insurance business upon the approval and permission and clearance given by the Commissioner of Insurance. You are of course aware by now that no doubt the Insurance Act specifies that the Commissioner of Insurance decides as to the approval or rejection of any application to under-write insurance business it is clear that the Commissioner arrives at such a decision after the matter has been referred to the Ministry of Finance for detailed examination and investigations and possibly some other departments are also involved before the Commissioner of Insurance gives his approval. It is therefore expected that the Commissioner of Insurance will have to submit his report or his recommendation to the Ministry of Finance for consideration since the setting up of an insurance company to under-write insurance business involves public interests and the public benefits which in turn is national interests. Such being the case whatever steps you take are of extreme importance and the office-bearers that is those active participants as opposed to those who are not active shall shoulder the burden of responsibilities of this insurance company.

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After you have incorporated the abovenamed company the next step for you to do is to call a meeting for the appointment of directors of the company that is to say Managing Director, Managers, Directors, Chairman and so on that is members of the company. However before a limited company is incorporated you will have to decide together with the other Promoters of the company how many Directors there should be and the maximum and the minimum, the share qualifications of the Directors, the powers and duties of the Directors that is to say whether you intend to give the active directors wide powers or limited powers or moderate powers and the extent to which the active directors are responsible to the Board of Directors. In practice the Directors are given moderate powers. The structure of this new company is of paramount importance. We propose that before the company is incorporated the proposed

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Memorandum & Articles of Association of Cosmic Insurance Corpn. Limited should be sent to the Commissioner of Insurance for his perusal and approval. This is important because whether the Commissioner approves it or not he can always give in writing of his position so that whatever way it establishes the commissioner's stand once and for all. This letter also serves as a protection to your application in the event the Commissioner of Insurance makes objections to the incorporation of the limited company under the proposed name.

AB 4 - 15
Letter, H.T.
Sam & Co. to
Appellant
10th August
1971
(cont'd)

When dealing with government departments it is essential and as far as they are concerned they would like to be placed on record what have transpired so that for purposes of record it not only sets out the progress reached in respect of any particular matter attended to, it would also act as a basis whereby the person in charge of that particular matter if called upon to answer would have some records for his superior. Such being the position we propose that whatever steps taken a letter must accompany same to confirm the step taken. If there is any acceptance of proposals the acceptance has to be in writing so that this would expedite matters and there is no scope for allegations that this matter was never brought up on the last discussion thereon.

After you have fixed the appointment of Directors, Managing Directors, Chairman, Office bearers and so on you should submit the list of the office bearers to the Commissioner of Insurance for his approval especially so the post of Managers which requires permission. The incorporation of this limited company has to go hand in hand with the application to receive the approval and clearance of the Commissioner of Insurance to under-write insurance business.

Under paragraph three of your letter of 25th June, 1971 you are well aware that Section 4(5) of the Insurance Act has been cited. This particular Section is quoted herewith for your information:

4(5) Subject to subsection (8) of this section, the Commissioner shall also refuse to register an applicant if, after appropriate inquiry, he is not satisfied that the business in respect of which the application is made will be conducted in accordance with sound insurance principles:

AB - 4 - 15
Letter, H.T.
Sam & Co. to
Appellant
10th August
1971.
(cont'd)

Provided that if the application is made in respect of both classes of insurance business, and the Commissioner is satisfied as respects one of them, he shall under this subsection refuse only as respects the other.

(8) Where an application to be registered in respect of either class of business is made by an existing insurer, the application shall not be refused under subsection (4) or (5) of this section if -

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(a) the application is made before the end of three months from the date of the coming into operation of this Act; and

(b) the deposit required by this Act in respect of that business is made before the end of those three months.

You will of course notice that under this particular section of the Insurance Act the Commissioner has to be satisfied that the business in respect of which application is made will be conducted with sound insurance principles. The phrase "sound insurance principles" is therefore of paramount importance and steps will have to be taken to ascertain from the Commissioner whether your proposal would constitute "sound insurance principles". Your proposed application by way of letter dated 16th June, 1971 does not amount to an application simply because you have made the application on the basis as an individual whilst the Act requires the application to be by a legal entity that is a limited company before the Commissioner can consider whether your application comes within sound insurance principles.

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30

From your record we also notice that the letter written on the 16th June, 1971 contains far too many proposals for expansion of the proposed insurance company. We would strongly advise that at this juncture the primary importance of the promoters is to satisfy the bare requirements of the Commissioner of Insurance that the form of business, the type of business and the manner of conducting the insurance business constitutes sound insurance principles acceptable to the Commissioner in view of the fact that public interests is protected, that insurance coverage is genuine, that insurance coverage is for the benefit of the insurers and not a scheme to make profits which should be looked upon as incidental in an application of this nature.

40

We notice that some of the proposals should not be made known to the Commissioner for the simple reason the Commissioner is not interested at this juncture how you propose to expand your insurance company when the initial stage of formation has not been reached. It is just like a purchaser who intends to set up a particular industry on a piece of land which he proposes to purchase but he has not bought the property. Surely the seller is not interested in what he does with the property. He is only interested in the sale. This analogy is brought up in order to illustrate to you the importance of furnishing information sufficient for the Commissioner to consider in accordance with the Insurance Act and not to provide scope and opportunity for him to reflect and to know and to ascertain moves and intentions you have in mind either to expand or to restrict or to amalgamate with other companies. This is not the concern of the Commissioner since the Commissioner is only concerned with applications for approval and clearance to underwrite insurance business basing on sound insurance principles.

Our Mr. Sam proposes to call a meeting of the Promoters so as to set the position correct from the very beginning. We propose to list out a consecutive list of items which should be done and has to be done so as to allow the Commissioner a basis for considering the application. Appointments to see the Commissioner would only be meaningful if as applicants you are aware of what steps you are required to comply with.

We understand that you have up-to-date collected \$12,000.00. This money would become handy and we propose that in future any payment to be made it should be made to us so that the money can be paid into the clients' account and if the requirement arises for payment we shall pay some to the Commissioner. For your information we would like to state some of the requirements listed in the Insurance Act.

Section 7(1) A Singapore insurer, while registered in respect of any class of insurance business, shall at all times have in respect of that business a deposit with the Accountant-General of a value of not less than three hundred thousand dollars.

AB 4 - 15
Letter, H.T.
Sam & Co. to
Appellant.
10th August
1971.
(cont'd)

AB 4 - 15
Letter, H.T.
Sam & Co. to
Appellant.
10th August
1971.
(cont'd)

(2) Any such deposit shall be made in cash or in securities specified in the Second Schedule to this Act or partly in one way and partly in the other; and any cash comprised in a deposit may be invested in such manner available for the investment of funds in court as the insurer may select.

(3) All income accruing in respect of a deposit shall be payable to the insurer making the deposit.

10

(4) A deposit made under this section in respect of any class of business shall be retained by the Accountant-General until either the insurer ceases to be registered in respect of that class of insurance business or the deposit is required in the winding up of the affairs of the insurer; and if the insurer ceases to be registered as aforesaid, the deposit or part of it may be further retained for the purpose of and in accordance with any such provision for liabilities in respect of policies as is required by subsection (3) of section 6 of this Act

20

Section 6(3) is stated below for your information:

6(3) So long as an insurer remains under any liability in respect of Singapore policies belonging to either class of insurance business, the Commissioner shall not cancel the insurer's registration in respect of that class, unless he is satisfied that reasonable provision has been or will be made for that liability and that adequate arrangements will exist for payment in Singapore of premiums and claims on those policies.

30

7(5) If at any time a deposit under this section (other than a deposit retained after the insurer has ceased to be registered as aforesaid) comprises assets other than government securities, and the value of those assets is less than the sum of three hundred thousand dollars reduced by the value of any government securities comprised in the deposit, then the Commissioner may by notice in writing direct the insurer to add thereto within twenty-eight days of the service of the notice, cash or securities specified in the Second Schedule to this Act of a value not less than the difference.

40

(6) An insurer which has made a deposit under this section may at any time substitute for any assets comprised in the deposit cash or securities specified in the Second Schedule to this Act, so long as the value of the deposit is not thereby reduced to an amount below that which is required by this Act.

AB 4 - 15
Letter, H.T.
Sam & Co. to
Appellant.
10th August
1971.
(cont'd)

10 (7) In the foregoing subsections "securities" (except in the expression "government securities") includes any form of investment, and "government securities" means securities of which the principal or interest is charged directly or by way of guarantee on the Consolidated Fund; but no deposit shall include -

(a) any shares in, or debentures or other securities of, an insurer registered under this Act; or

20 (b) except in so far as a debt comprised in the deposit is secured on land, any estate or interest in land; or

(c) any securities authorised in paragraphs 3, 4, 5, 6 and 8 of the Second Schedule to this Act which the Minister on the advice of the Commissioner and the Accountant-General declares in writing to be unsuitable for the purposes of a deposit.

30 (8) Where by virtue of paragraph (c) of subsection (7) of this section any securities comprised in a deposit are declared unsuitable, the insurer shall within one calendar month of the securities being so declared, substitute therefor such other securities as are authorised by this section.

40 (9) (a) Notwithstanding anything contained in this Act or any written law, the provisions of subsection (3) of section 6 of this Act shall apply to a Singapore insurer whose application for registration has been refused under the provisions of section 4 of this Act as they apply to a Singapore insurer that is registered under this Act and the Accountant-General may, accordingly, retain the deposit, or part of it, of such first mentioned Singapore insurer for the purpose

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Letter, H.T.
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1971.
(cont'd)

of and in accordance with the provisions for liabilities in respect of policies referred to in the said subsection (3) of section 6 of this Act.

(b) This subsection shall be deemed to have come into operation on 1st January, 1967.

For your information we state herewith the Second Schedule to the Insurance Act for your information:-

SECOND SCHEDULE

10

SINGAPORE ASSETS AUTHORISED FOR
DEPOSITS AND INSURANCE FUNDS

1. Securities of which the principal or interest is charged directly or by way of guarantee on the Consolidated Fund.

2. Debentures or other loans issued under the authority of any written law by any authority or body established by any written law to discharge, otherwise than with a view to profit, any functions of a public nature (including the provision of public utility and similar services).

20

3. Shares in, or debentures or other securities of, a body incorporated in Singapore which are listed by the Malaysian and Singapore Stock Exchange.

4. Shares in, or debentures or other securities of, a society registered under the Co-operative Societies Act.

5. Estates or interests in land in Singapore, and, up to the value of that security, loans secured on any such estate or interest.

30

6. In relation to any insurer, any loan secured on a life policy of the insurer, but only up to the value of that security (calculated in the prescribed manner), and only if the policy is a Singapore policy and the principal and interest of the loan are payable in the currency of Singapore.

7. Any currency of Singapore, and any amount payable in that currency which is held on current account or deposit in Singapore with a bank licensed under any written law for the time being in force relating to banking.

40

8. Such other investments in or connected with Singapore as may be prescribed.

AB 4 - 15
Letter, H.T.
Sam & Co. to
Appellant.
10th August
1971.
(cont'd)

Thus you can see that you need a deposit of \$300,000.00 to be deposited with the Accountant-General either in cash or in securities as listed in the Second Schedule.

Under Section 8 the bank can always covenant and this particular section is quoted for your information:-

10 8(1) If, in the case of any insurer, a
bank licensed under any written law for the time
being in force relating to banking makes with the
Accountant-General an agreement in a form approved
by the Commissioner whereby the bank covenants with
the Government to deposit with the Accountant-
General a specified sum in cash on account of the
insurer's deposit under this Act in respect of
either class of insurance business, and the covenant
20 complies with any requirements the Commissioner
sees fit to impose as to the circumstances in
which that sum is to be deposited, then for the
purposes of this Act the insurer shall be treated
as having deposited under section 7 of this Act a
sum of cash equal to that so covenanted for and the
sum so covenanted for shall be recoverable notwith-
standing that no consideration is furnished on the
Agreement:

30 Provided that the Minister may, in his
discretion but subject to the provisions of sub-
section (1) of section 7 of this Act, specify in
writing the sum to be covenanted for under the
provisions of this subsection.

Under section 10 of the Insurance Act you are also required to establish and maintain an insurance fund and this particular section is stated below for your information:-

40 10 (1) Every Singapore insurer registered
under this Act shall establish and maintain in
accordance with this section an insurance fund in
respect of the class or each of the classes of
insurance business carried on by the insurer in
Singapore so far as that business relates to
Singapore policies.

(2) There shall be paid into an insurance fund all receipts of the insurers properly

AB 4 - 15
Letter, H.T.
Sam & Co. to
Appellant.
10th August
1971.
(cont'd)

attributable to the business to which the fund relates (including the income of the fund), and the assets comprised in the fund shall be applicable only to meet such part of the insurer's liabilities and expenses as is properly so attributable.

(3) In the case of a fund established in respect of life business, no part of the fund shall be allocated by way of bonus to participating policies, except with the approval of a qualified actuary and out of a surplus of assets over liabilities as shown on the last statutory valuation of the fund; and on the making of any such allocation that surplus shall be treated for purposes of this section as reduced by the amount allocated.

10

(4) If on the last statutory valuation (in the case of a fund established in respect of life business) or in the last statutory balance-sheet (in the case of a fund established in respect of general business) there was shown a surplus of assets over liabilities of an insurance fund, there may, subject to any provision to the contrary in any instrument or contract binding the insurer, be withdrawn from the fund an amount not exceeding the surplus, and on the making of any such withdrawal that surplus shall be treated for the purposes of this section as reduced by the amount withdrawn:

20

Provided that, in the case of a fund established in respect of life business, no withdrawal shall be made without the approval of a qualified actuary, and no part of the surplus attributable to participating policies shall be withdrawn in excess of one quarter of the amount allocated thereout by way of bonus to participating policies.

30

(5) In respect of any policy belonging to the insurer's life business which is under subsection (4) of section 9 of this Act removed from the insurer's register of policies, there may be withdrawn from the fund established in respect of that business an amount not exceeding the prescribed amount.

40

(6) Any amount withdrawn from an insurance fund under subsection (4) or (5) of this section and, in a winding up, any part of an insurance fund remaining after meeting the liabilities and expenses to which the fund is applicable may be dealt with as if it had not formed part of the fund.

(7) In a winding up, assets comprised in the deposit made by an insurer under this Act in respect of either class of business shall be treated as assets of the insurance fund established by him in respect of business of that class, and subsections (2) and (6) of this section shall apply to those assets accordingly.

AB 4 - 15
Letter, H.T.
Sam & Co. to
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10th August
1971.
(cont'd)

10 (8) An insurance fund established by a Singapore insurer for any class of business shall, notwithstanding that the insurer at any time ceases to carry on that class of business in Singapore, continue to be maintained by the insurer so long as the insurer is required by this Act to maintain the register of policies for policies belonging to that class.

20 (9) In the case of an existing insurer, any insurance fund shall be established as at the date of establishment of the insurer's register of policies, and by reference to the policies registered or required to be registered in it as at its establishment, and by reference to the assets and liabilities of the insurer as at that date; and -

(a) there shall be allocated to the fund assets of a value of not less (after allowing for any charges to which the fund is not applicable) than the aggregate of the amounts specified in subsection (10) of this section; and

30 (b) All such matters as would subsequently have affected the fund if established at that date shall be brought into account accordingly.

(10) The amounts referred to in paragraph (a) of subsection (9) of this section are as follows:-

40 (a) the amount, determined in the prescribed manner, of the liability of the insurer in respect of the policies referred to in subsection (9) of this section; and

(b) the amount of any other liabilities of the insurer in so far as the assets allocated to the fund will be applicable or be treated as having been applicable to meet those liabilities.

AB 4 - 15
Letter, H.T.
Sam & Co. to
Appellant.
10th August
1971.
(cont'd)

Section 14 (1) and (2) are also stated
herewith for your information:

14 (1) In the case of a life policy issued as a Singapore policy after the date of the coming into operation of this Act, to a policy owner who is a citizen of Singapore, any policy moneys or moneys payable on the surrender of the policy shall, notwithstanding anything in the policy or in any agreement relating thereto, be paid in the currency of Singapore unless at the time of payment it is otherwise agreed between the insurer and the person entitled to payment.

10

(2) Where a Singapore insurer satisfies the Commissioner as regards any life policy registered under this Act by the insurer that the policy moneys (including any moneys payable under the policy on a surrender) may not under the policy or any agreement relating thereto be paid in the currency of Singapore, then for the purposes of subsection (3) of section 11 of this Act there shall be disregarded such part of the value of the assets of the relevant insurance fund as is equal to the value of the insurer's liability in respect of the policy determined on a basis approved by the Commissioner.

20

15 (1) A Singapore insurer shall not issue a life policy of any description being a Singapore policy, if the premium chargeable under the policy is not in accordance with rates fixed with the approval of a qualified actuary or, where no rates have been so fixed for policies of that description issued by the insurer, is not a premium approved for the policy by a qualified actuary.

30

(2) An actuary shall not for the purposes of this section approve a premium for a policy or a rate of premium for any description of policy, unless he is satisfied that it is suitable and in accordance with sound insurance principles.

(3) An actuary in giving his approval in respect of any description of life policy shall have regard to the maximum rate of commission proposed to be paid or allowed to any person in respect of that description of policy, and shall certify the said maximum rate.

40

(4) Where in the case of any insurer a rate of premium is approved by a qualified actuary

for any description of life policy, the insurer shall not, except with the approval of the Commissioner, pay or allow in respect of any policy of that description a commission at a rate greater than the maximum rate of commission certified by the actuary.

AB 4 - 15
Letter, H.T.
Sam & Co. to
Appellant.
10th August
1971.
(cont'd)

10 (5) The Commissioner may by notice in writing require any Singapore insurer to obtain and furnish him within a time specified in the notice with a report by a qualified actuary as to the suitability of the rates of premium for the time being chargeable by the insurer for any description of life policy, and if the actuary considers that the rates are not suitable or not in accordance with sound insurance principles, a report as to the rates of premium which the actuary approves for that description of policy; and for the purposes of sub-section (1) of this section regard shall be had to any such report to the exclusion of any previous approval or report.

20

(6) For each occasion on which an insurer issues a policy or allows a commission in contravention of this section, the insurer shall be liable on conviction to a fine of one thousand dollars.

Section 40(5) is also stated herewith for your information:-

30 40 (5) This section does not affect policies issued before the date of the coming into operation of this Act.

40 You will of course notice that even after the commissioner has approved the company to underwrite insurance business there is still a lot of requirements to be met. Requirements like the particular type of policy, the maintenance of insurance fund, necessary papers to be filed with the Commissioner and many other things. In the circumstances after you have received our letter we would like you to reflect on what we have said. We shall proceed with the application for approval and clearance from the Commissioner as soon as the limited company is incorporated.

Please note your letter of the 16th June, 1971 gives very little scope and opportunity for the Commissioner of Insurance to consider your application

AB 4 - 15
Letter, H.T.
Sam & Co. to
Appellant.
10th August
1971.
(cont'd)

on the merits of the case. In your letter of the
16th June, 1971 you have not crystallised your
intention as to the particular type of insurance
the proposed new company would like to underwrite.

Yours faithfully,
Signed H.T. Sam & Company

AB 16 - 17
Letter from
Twelve (12)
Persons
including the
Appellant to
H.T. Sam & Co.
15th August
1971.

AB 16 - 17

Letter from Twelve (12) Persons including
the Appellant, to H.T. Sam & Company

To: Messrs. H.T. Sam & Co.,
Advocates & Solicitors,
35-B, New Bridge Road,
Singapore.

10

re: COSMIC INSURANCE CORPORATION
LIMITED

We the undersigned, the Promoters of the
above proposed Company hereby confirm that the
Memorandum & Articles of Association of Cosmic
Insurance Corporation Limited shall be thoroughly
reviewed and amended by Messrs. H.T. Sam & Co. to
suit the requirement of the Companies Act or the
Insurance Commissioner and to incorporate same on
our behalf with Registrar of Companies.

20

We confirm that you are given full authority
to act on our behalf to seek formal approval from
the Commissioner of Insurance to underwrite
insurance business of all kinds decided by the
Promoters and to finalise whatever necessary
documentation and proceedings in connection or
related to or incidental to the formation of the
Insurance Company under the aforesaid name.

30

We agree to deposit each of our intended
contribution towards the paid up capital to Messrs.
H.T. Sam & Co., Solicitor for Cosmic Insurance
Corpn. Ltd.

We hereby agree to the following matters
discussed at the meeting:

- (a) Mr. Khoo Chiang Poh shall be the Managing Director for life unless he resigns, dies or commit an offence under the Companies Act or is prohibited to become a Director under the Companies Act for any offences;
- (b) That the detailed description of the post to be held by the Promoters as per list marked "A" shall form the basis of the members of the Board of Directors;
- 10 (c) To accept Mr. Liew Sing Hun to be the Manager of the proposed Insurance company subject to contract of which full details of the terms of employment conditions of service, power of the Manager, duties of the Manager and other conditions, if any, shall be finalised by Mr. Khoo Chiang Poh upon discussion by the Board of Directors with the assistance of Messrs. H.T. Sam & Co.;
- 20 (d) That Mr. Khoo Chiang Poh and the Manager shall recruit suitable personnels to fill any posts sufficient enough to enable the insurance company operational. Mr. Khoo Chiang Poh shall have the right to dismiss any staff and to fix the remuneration salary and so on of the staff subject of course to contract working in close liaison with Messrs. H.T. Sam & Co. for the terms and conditions of service. Mr. Khoo Chiang Poh shall report the progress of the company and shall be
- 30 responsible to the Board of Directors.
- (e) We confirm that the Authorised capital stands at \$3,000,000.00 with the initial pay up of 1.2 million dollars. The \$300,000.00 deposit shall be provided for in cash/securities. If in cash/securities Mr. Khoo Chiang Poh in liaison with M/s. H.T. Sam & Co. shall finalise such deposit payment;
- 40 (f) The maximum number of Directors shall be twenty one (21) who shall be Directors for life subject to his removal on account of resignation, death or prohibition or disqualification for being a Director under the Companies Act;
- (g) Shares of the Directors for life shall not be transferable to any person whom the Directors

AB 16 - 17
 Letter from
 Twelve (12)
 Persons
 including the
 Appellant to
 H.T. Sam & Co.
 15th August
 1971.
 (c ont'd)

AB 16 - 17
Letter from
Twelve (12)
Persons
including the
Appellant to
H.T. Sam & Co.
15th August
1971.
(cont'd)

consider to be undesirable to admit as a member of a company;

(h) we agree that car owners who purchase insurance with the proposed new company can be offered Preferential Shares of certain deconominations. Such shares shall be offered to the public (that the car owners who buy insurance from us) at a premium at par value of the Preferential Shares as an investment and inducive to insure with the proposed new company;

10

(j) we agree initially to start with General Insurance inclusive of motor excepting life. The other types of insurance will be taken out when the Company feels the necessity to extend coverage for life and other insurance business.

(k) the proposed new company shall also establish subsidiary companies, namely:-

(i) hire purchase

20

(ii) property investment

(iii) corp orative society along the lines of the Automobile Association.

The subsidiary company shall be the name of Cosmic as the first identical work in all the subsidiary companies.

Dated the 15th day of August, 1971.

Signed Tan Eng Huat

Signed

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Signed in Chinese

Signed

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Signed

Signed in Chinese

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Signed in Chinese

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Letter H.T. Sam & Company to Appellant

AB 18 - 20
Letter H.T.
Sam & Company
to Appellant
17th August
1971.

Our ref: SHT/MC/236/71

Mr. Khoo Chiang Poh,
14-A, Block 6,
Dakota Crescent,
Singapore 14.

17th August 1971

Dear Sirs,

re: COSMIC INSURANCE CORPORATION
LIMITED

10

We enclose herewith a copy of the Memorandum of Authority addressed to us and specifying the delegation of Authorities to empower Mr. Khoo Chiang Poh to finalise the set up of the proposed Insurance Company. We further enclose the list of Promoters and addresses and designated posts each of them would hold in the proposed new company.

20

We confirm that the following matters that have been agreed upon although the same does not appear in the Memorandum of Authority addressed to us.

30

(a) The appointment of Mr. Liew Sing Hun as Manager of the proposed company shall be subject to contract for a term of three (3) years. The proposed salary shall be at \$1,500.00 or such lesser sums to be decided when negotiations are finalised. It is proposed that his present salary may be increased by a 20-30% increase of his present salary plus a yearly bonus depending of course on the progress and profit of the company. The whole idea is to instill a future in the mind of the Manager so that he would give his heart and soul to his new post. The Manager shall be responsible to the Board of Directors.

40

(b) Mr. Khoo Chiang Poh shall be the Managing Director for life and if he vacates the office or resigns as a result of his own free will or prohibited to act as a Director for

AB 18 - 20
Letter H.T.
Sam & Company
to Appellant
17th August
1971.
(cont'd)

- offence under the Company's Act or dies the post of the Managing Director shall be elected by the Board of Directors. The authorised capital of the Company shall be at five million dollars with a paid up of 1.05 million.
- (c) The deposit requirement by the Accountant General under the Insurance Act shall be in the form of a security that is to say a Bankers Guarantee from Bank of Canton, Chulia Street, Singapore of which documentation of such Bankers Guarantee shall be finalised in due course. 10
- (d) The share qualification of a Director shall be at Thirty Thousand shares or jointly with a member of his family of holding a total of Fifty thousand shares provided that a Director must hold a minimum of Thirty thousand shares.
- (e) The Promoters agreed to the creation of Preferential Shares with the following conditions attached. 20
- (i) The issue of such share "Preferential Shares" shall be offered only to car owners or vehicle owners who in the opinion of the proposed new company are eligible for such shares.
- (ii) The Preferential Shares shall be at One (\$1.00) Dollar per share and a car owner or vehicle owner shall be over a minimum of one hundred share and a maximum of One thousand share subject to whatever conditions the company may attach. 30
- (iii) Such Preferential shares are transferable but they cannot be surrendered to for momentary consideration. Payment by the company at par value of such share in other words they are not refundable in cash by the Company. The dividends to be paid on such Preferential share shall be at the absolute discretion of the Company as to quatom. The Company reserve the right to attach any amount of dividends to such Preferential Share payable to the registered holder of such share. 40

(iv) Such Preferential shares shall not carry any voting rights similar to that of ordinary share and shareholder of Preferential share has no voting right as to the decision of dividends in respect of such preferential share.

AB 18 - 20
Letter H.T.
Sam & Company
to Appellant
17th August
1971.
(cont'd)

10

(v) The Company reserve the right to postpone payment of such dividends without the necessity to advance any reasons to the preferential shareholder and has every right to capitalise the reserve fund of the proposed new company.

(vi) The Company also reserve the right as and when it thinks fit to alter any conditions attached to such preferential share and the holder has no right to question the decision of such alterations.

20

(vii) The Company also reserve the right to reject without any explanations whatsoever for any applications for preferential shares.

(f) The Promoters also agreed to the establishment of the post of Directors for life.

30

(g) For purpose of obtaining permission to underwrite insurance business the Promoters agreed that initially the nature and type of insurance business shall be limited to General Insurance excepting life that is to say personal accident, property insurance, marine, workmen compensation and so on except life.

(h) The office site of the proposed new company shall be decided as and when the company becomes operational. However since the law requires the temporary office shall be at No. 35-B, New Bridge Road, Singapore.

(i) The initial spending for the first year is at \$180,000.00 exclusive of lawyer's cost and other expenses.

40

(j) The trial balance of the Company shall be supplied to the Directors every two (2) months.

(k) The Promoters agreed that as soon as the Company is on a sound footing and there are surplus funds, subsidiary companies Hire Purchase,

AB 18 - 20
Letter H.T.
Sam & Company
to Appellant
17th August
1971.
(cont'd)

Property Investment, Co-operative Society and
a proposed repair workshop can be started as
subsidiary companies of the Insurance Companies
and life Insurance.

Mr. Khoo Chiang Poh has informed Mr. Sam that
initially his instructions to Mr. Tan Kian Chye was
to reserve the name in the following manner:-

COSMIC INSURANCE CORPORATION LIMITED.

However Mr. Tan Kian Chye has reserved the name as
Cosmic Insurance Corpn. Ltd., we proposed that the
full name of Corporation Limited should be reserved
and not abbreviated to Corpn. This matter crops up
only after Mr. Khoo Chiang Poh detected that
deviation in respect of the name of the company and
as such we feel that you would not have objections
to such slight amendment for the benefit of the
Company.

10

Yours faithfully,

Signed H.T. Sam & Company

Encls:

20

To 15 Promoters.

AB 21

AB 21
Letter H.T.
Sam & Co. to
C.P. Huo
19th August
1971.

Letter H.T. Sam & Company to C.P. Huo

Our ref: SHT/LSF/236/71

Mr. C.P. Huo,
Bank of Canton,
18 Chulia Street,
Singapore.

19th August, 1971.

Dear Sir,

re: Guarantee agreement between
Bank of Canton Limited and the
Government of Singapore and
Cosmic Insurance Corporation
Limited

30

We act for Mr. Khoo Chiang Poh and others of
No. 14-A, Dakota Crescent, Block 6, Singapore 14.

Our client Mr. Khoo Chiang Poh called at your office and have a discussion with you concerning the proposed guarantee of \$300,000.00 as deposit to the Accountant General for the sole purpose of a statutory deposit under the Insurance Act for an application to the Commissioner of Insurance to underwrite insurance business under the proposed new company

AB 21
Letter H.T.
Sam & Co. to
C.P. Huo
19th August
1971.
(cont'd)

10 We are instructed by our clients that you agree to that suggestion and had requested for the Memorandum and Article of Association of Cosmic Insurance Corporation Limited when the same has been incorporated. Can you please confirm by letter that your Bank agrees to stand guarantee to the Government of Singapore for a sum of \$300,000.00 upon the Commissioner's approval to allow the proposed new company to underwrite general insurance business excepting life. Upon confirmation we shall prepare the necessary legal documents for your approval. Please note that a copy of such guarantee agreement will be sent to the Commissioner of Insurance for his approval as well.

20

Yours faithfully,
Signed H.T. Sam & Company.

AB 22 - 24

Letter H.T. Sam & Company to Appellant

AB 22 - 24
Letter H.T.
Sam & Co. to
Appellant
21st August
1971.

Our ref: SHT/MH/236/71

21st August 1971.

30 Mr. Khoo Chiang Poh,
Block 6,
14-A Dakota Crescent,
Singapore 14.

Dear Sir,

re: Cosmic Insurance Corporation
Limited

With reference to the above matter, we enclose herewith a copy of the Memorandum & Articles of Association for submission to the Commissioner of Insurance for his comments, if any, before we incorporate same with the Registrar of Companies.

AB 22 - 24
Letter H.T.
Sam & Co. to
Appellant
21st August
1971.
(cont'd)

We have stated in our previous letter to the Insurance Commissioner to forward a copy of our proposed Memorandum & Articles of Association for his comments and by so doing we are in fact seeking his satisfaction of the Memorandum & Articles of Association of the proposed company.

Of course a copy of the Memorandum & Articles of Association will accompany our formal application to underwrite insurance business as required by the Insurance Companies Registration Regulations, 1967. 10

We propose that if you have any comments or suggestions please let us know so that we are able to ascertain whether such proposals can be allowed by the Companies Act and of course subject to the approval of the Commissioner of Insurance. We propose that the form of this draft be the form for the proposed new company upon the Commissioner of Insurance's approval of the contents thereof.

We would like to state that this proposed Memorandum & Articles of Association of Cosmic is unique and has been carefully drafted to incorporate as many of the proposals transpired at the last meeting. Please note that not all the proposals can be incorporated in the Memorandum & Articles of Association. Other proposals can be put into effect in Resolutions of the company. This Memorandum & Articles of Association of Cosmic has been drafted with meticulous care and research into the Companies Law, the rights and effects of certain classes of shares and to maintain the controlling position of ordinary shareholders despite allowing public participation through preference shares on a limited scale. 20 30

We propose to give our concerted legal opinion of the objects and Articles of Association of Cosmic outlining the purpose, intentions and effects for your information so that you would be in a position to appreciate and understand the reasons for such retention.

Firstly on the Memorandum of the company i.e. the objects of Cosmic. You are aware that there are altogether 73 objects not mentioning the sub-objects which gives the company a wide scope to undertake all kinds of business so long as the Company is in existence. The Memorandum has to be exhaustive to see the company through in the possible fields of endeavour. The main objects cover all kinds of 40

insurance business including life though the new company does not propose to undertake life. There is no harm in including same for purposes of incorporation since at some future date the company may endeavour to go into life so that there will be no need to amend the Memorandum. The objects (39) to (42) sets out clearly Hire Purchase business and objects (52) to (56) deals with property investments and object (39) entitles the company to go into an arrangement with Co-operative Society. The objects of the proposed new company offers a tremendous scope for Cosmic to expand in all fields of endeavour.

AB 22 - 24
Letter H.T.
Sam & Co. to
Appellant
21st August
1971.
(cont'd)

A lot of thought and research have been given to the drafting of the Articles of Association of Cosmic. The task is made even more difficult by the incorporation of preferential shares in the Articles. It is imperative to examine fully the nature, rights, duties, obligations and effects of preferential shares in the company. Such being the case the Articles covering preferential shares and other Articles are specially drafted to maintain a controlling position of ordinary shares over preferential shares. In determining the rights generally of the holders of preference shares it is necessary to consider what priorities and privileges must be attached and at the same time how those classes of the company's shareholders and its interest generally. The following are some of the principal points. Firstly, our task is to classify preferential shares into non-cumulative i.e. to say if no profits are declared in the particular year, the right or profit lapses and the holder of preference shares cannot demand the profits from the Company. Articles 5(2)(a) of Cosmic states that preference shares of \$1,000,000.00 at \$1.00 per share is non-cumulative.

Secondly, after distributing profits (if any), our task is to see that holders of no-cumulative preference shares do not confer any further rights to participate in profits and assets of the company. This is important because absence of such clause would mean holders of preference shares are entitled as of rights to a share of the further profits and assets of the company. Article 5(2) of Cosmic has unquestionably settled the position.

Thirdly the rights to vote of holders of preferential shares. The Law states that any rights

AB 22 - 24
Letter H.T.
Sam & Co. to
Appellant
21st August
1971.
(cont'd)

of preference shares depend on the terms of issue and if such is stated in the Memorandum this would greatly clear any doubts of preference shares. Preference shares holders have the right to vote and we are restricting this right to special rights but not any matters at general meetings. Thus Article 6 limits his right to one vote for every two shares.

Fourthly, we have incorporated Article 4 to enable the company to control shares to and to redeem same when desirable. Preference shares are required by law to be redeemed but the manner of redemption and at what price shall be at the discretion of the company.

10

Then you will find Articles 3 to 22 deals with shares. Articles 23 to 31 deals with calls on shares so as to set the position clearly for ordinary shareholders. Articles 32 to 40 deals with the effects and manner of forfeiture and Lions exercisable by the company. Articles 41 to 48 deals with the manner of transfers of shares and the effects thereon. Articles 49 to 51 deals with transmission of shares found in any Memorandum.

20

We shall now select some articles that merit comments. Article 56 requires a statutory meeting to be held. Section 152 of the Companies Act requires this to be so where a statutory report is required. This is an important meeting which has to be complied. The remaining articles are included to provide the mechanism for the operation of the proposals at the last meeting. Please note specific provisions are incorporated to include an Insurance & Clearance Fund, capitalisation, power to carry profits into reserves and capitalisation of profits and reserves all found in Articles 145, 146, 147, 148, 149 and 150. There is also a secrecy clause at Article 175.

30

We shall very shortly incorporate the new company as soon as the Insurance Commissioner approves same. Thereafter formal application shall be made to underwrite insurance business. Further meetings would be called after we have obtained approval from the Insurance Commissioner to underwrite insurance business.

40

Yours faithfully,
Signed H.T. Sam & Company

Enc.

AB 25

Letter H.T. Sam & Company to Commissioner
of Insurance

AB 25
Letter H.T. Sam
& Co. to the
Commissioner
of Insurance
23rd August,
1971.

Your ref: I.C. 16
Our ref: SHT/MH/236/71

23rd August, 1971.

10 The Commissioner of Insurance,
Ministry of Finance,
5th floor,
Fullerton Building,
Singapore 1.

Dear Sir,

re: Cosmic Insurance Corporation
Limited

Further to our letter of the 10th instant, we
enclose herewith the draft Memorandum & Articles of
Association for your information and comments (if
any). If you have no comments please confirm so and
we shall incorporate the company in accordance to
this draft Memorandum and Articles of Association.

20 We shall of course forward a copy of the
registered Memorandum & Articles of Association of
Cosmic Insurance Corporation Limited to accompany
our formal application in due course under the
Insurance Companies Registration Regulations, 1967.
The application shall be made in the name of "Cosmic
Insurance Corporation Limited" to underwrite general
insurance business excepting life.

30 Can you please acknowledge receipt of the
enclosures and kindly indicate your comments, if any,
to our proposed Memorandum & Articles of Association.

Yours faithfully,
Signed H.T. Sam & Company

Encl.

AB 26
Letter
Commissioner of Insurance
to H.T. Sam
& Co.
24th August
1971.

AB 26

Letter Commissioner of Insurance to
H.T. Sam & Company

MINISTRY OF FINANCE
SINGAPORE

Messrs. H.T. Sam & Co.,
Advocates & Solicitors,
Four Seas Communications
Bank Bldg.,
35-37 New Bridge Road,
(2nd floor),
Singapore 1.

24th August, 1971

10

Dear Sirs,

Cosmic Insurance Corpn. Ltd.

I refer to your letters SHT/MH/236/71 dated
10 and 23 August 1971. I have no comments on the
draft Memorandum and Articles of Association which
is returned herewith.

Yours faithfully,

Signed F.J. D'Costa

20

Insurance Commissioner,
Singapore.

AB 27 - 28
Letter H.T.
Sam & Co.
to the
Registrar
of Companies
15th September
1971

AB 27 - 28

Letter H.T. Sam & Company to the Registrar
of Companies

Your ref: R. of C. 368/66 15th September, 1971.
Our ref: SHT/LSF/236/71

The Registrar of Companies,
Fullerton Building,
Singapore 1.

30

Dear Sir,

re: Cosmic Insurance Corporation
Limited

We act for Mr. Khoo Chiang Poh and others of Block 6, No. 14-A, Dakota Crescent, Singapore 14 the promoters of the above company.

AB 27 - 28
Letter H.T.
Sam & Co.
to the
Registrar
of Companies
15th September
1971.
(cont'd)

We enclose herewith a photostat copy of the letter from the Commissioner of Insurance, the contents of which are self explanatory. Please note that the Memorandum and Articles of Association now submitted is exactly the same as the draft which we have sent to the Commissioner of Insurance.

10

We enclose herewith the following documents for your immediate attention namely:-

- (1) The Memorandum and Articles of Association duly signed by the promoters and witnessed by us together with
- (2) Form 6, Form 7 and Form 45 for your immediate attention.

We further enclose herewith our cheque for \$4,583:34 being as follows:

20

| | | |
|-----|--|----------------------|
| (a) | Stamp fees on authorise capital of \$5,000,000.00 is | \$4,533.34 |
| (b) | Filing fees for Memorandum and Articles of Association | \$10.00 |
| (c) | Filing fees of form 6 | \$10.00 |
| (d) | Filing fees of form 7 | \$10.00 |
| (e) | Certificate of Incorporation | <u>\$10.00</u> 50.00 |
| | | <u>\$4,583.34</u> |

30

We shall be much obliged if you will kindly let us have the Certificate of Incorporation as soon as possible since we are required to submit a copy of the same under the Insurance Act together with the Certificate of Incorporation for the attention of the Commissioner of Insurance in respect of our application to underwrite general Insurance excepting life. Our clients are desirous of completing the procedures for the extract of a licence from the Commissioner of Insurance and we sincerely hope that

AB 27 - 28
 Letter H.T.
 Sam & Co.
 to the
 Registrar
 of Companies
 15th September
 1971.
 (cont'd)

you would give us the Certificate of
 Incorporation at the earliest possible date.
 Please let us have your receipt for the sum of
 \$4,583.34.

Yours faithfully,
 Signed H.T. Sam & Company

Encls.

AB 29 - 30
 Consent to
 act as
 Directors
 15th September
 1971.

AB 29 - 30

Consent to Act as Directors

FORM 45

10

THE COMPANIES ACT, (CHAPTER 185)
SINGAPORE STATUTES REVISED EDITION 1970

CONSENT TO ACT AS DIRECTOR

COSMIC INSURANCE CORPORATION LIMITED

To the Registrar of Companies,

We, the undersigned persons hereby consent to
 act as directors of COSMIC INSURANCE CORPORATION
 LIMITED.

| FULL NAME | ADDRESS | DESCRIP- TION | IDENTITY CARD CITIZENSHIP NO. PASSPORT NO. | 20 |
|--------------------|--|------------------|--|----|
| TAN ENG HUAT | 11 Seraya Road Singapore 15. | Merchant | I/C No. 0813076/J | |
| YAP CHWEE HOCK | 480 Siglap Road, Singapore 15. | Merchant | I/C No. 0279071/H | |
| KHOO CHIANG POH | Block 6, 14-A Dakota Crescent, Singapore 14. | Merchant | I/C No. 0316186/E | 30 |

AB 29 - 30
 Consent to
 act as
 Directors
 15th September
 1971.
 (cont'd)

| | FULL NAME | ADDRESS | DESCRIP- TION | IDENTITY CARD CITIZENSHIP NO. PASSPORT NO. |
|----|-------------------|---|------------------|--|
| | KHOO TECK SIEW | 38 & 40 Lorong 23, Geylang, Singapore 14. | Merchant | I/C No. 0428693/F |
| 10 | LEE CHOON HUAT | 89 Jalan Besar, Singapore 8. | Merchant | I/C No. 0870284/E |
| | LIM KAIN YAIT | 111-A, Dunbar Walk, Singapore 15. | Merchant | I/C No. 0670907/I |
| | CHAN POW GEK | 35-B, New Bridge Road, Singapore 1. | Merchant | I/C No. 1076389/D |
| 20 | TEO KAI TECK | 14 Nam Lock Street, Singapore. | Merchant | I/C No. 0457000/F |
| | CHEW YUAN HENG | 8 Surin Road, Singapore 19. | Merchant | I/C No. 0747689/B |
| | NA YU SONG | 124 Cambridge Road, Singapore 8. | Merchant | I/C No. 2080404/A |
| | TEE KIA MENG | 112 Charlton Lane, Singapore 19. | Merchant | I/C No. 0479136/C |
| 30 | KHOO SIEW EE | Block 6, 14-A, Dakota Crescent, Singapore 14. | Merchant | I/C No. 2011032/E |
| | TAN TECK KEAM | 234 Kallang Road, Singapore 12. | Merchant | 0829872/J |
| | CHUA SAY ENG | 75-E, Koon Seng Road, Singapore 15. | Merchant | I/C No. 0358371/F |

AB 29-30
Consent to
act as
Directors
15th September
1971.
(cont'd)

Dated this 15th day of September, 1971.

- | | | | | |
|-----|--|-----|--|----|
| 1. | <u>Signed Tan Eng Huat</u> (TAN ENG HUAT) | 2. | <u>Signed Yap Chwee Hock</u> (YAP CHWEE HOCK) | |
| 3. | <u>Signed Khoo Chiang Poh</u> (KHOO CHIANG POH) | 4. | <u>Signed Khoo Teck Siew</u> (KHOO TECK SIEW) | |
| 5. | <u>Signed Lee Choon Huat</u> (LEE CHOON HUAT) | 6. | <u>Signed Lim Kain Yait</u> (LIM KAIN YAIT) | |
| 7. | <u>Signed Chan Pow Gek</u> (CHAN POW GEK) | 8. | <u>Signed Teo Kai Teck</u> (TEO KAI TECK) | 10 |
| 9. | <u>Signed Chew Yuan Heng</u> (CHEW YUAN HENG) | 10. | <u>Signed Na Yu Song</u> (NA YU SONG) | |
| 11. | <u>Signed Tee Kia Meng</u> (TEE KIA MENG) | 12. | <u>Signed Khoo Siew Ee</u> (KHOO SIEW EE) | |
| 13. | <u>Signed Tan Teck Keam</u> (TAN TECK KEAM) | 14. | <u>Signed Chua Say Eng</u> (CHUA SAY ENG) | |

AB 31 - 33
Agenda of
Meeting held
on 19th
September
1971.

AB 31 - 33

Agenda of Meeting held on 19th September
1971

20

1. SIGNATORIES TO SHARES (ordinary)
- (1) Mr. Khoo Teck Siew shall sign
 - (2) Mr. Chua Say Eng
 - (3) Mr. Lim Kain Yait

PREFERENTIAL SHARES

- (1) LEE CHOON HUAT to sign
- (2) TEE KIA MENG
- (3) CHAN POW GEK

2. CHEQUES

AB 31 - 33
Agenda of
Meeting held
on 19th
September
1971.
(cont'd)

(a) FIRST TYPE ABOVE \$5,000.00

Three Signatories need.

(i) Khoo Chiang Poh

(ii) Countersigned by Teo Kai Teck

(iii) Countersigned by Company's Accountant

(b) SECOND TYPE for all cheques above \$5,000.00

(i) Tan Eng Huat in substitution for Khoo Chiang Poh (above and below \$5,000.00)

10 (ii) Chew Yuan Heng in substitution for Teo Kai Teck (above \$5,000.00)

(iii) The paid Secretary of Company in substitution for the Accountant.

(c) THIRD TYPE CHEQUES BELOW \$5,000.00

(i) Khoo Chiang Poh to sign

(ii) Countersigned by the Company's Manager.

(iii) Countersigned by the Company's Accountant.

(d) FOURTH TYPE CHEQUES BELOW \$5,000.00

20 (i) Yap Chwee Hock in substitution for Tan Eng Huat (above and below \$5,000.00)

(ii) Na Yu Song shall sign in substitution for Chew Yuan Heng (above \$5,000.00)

3. Messrs. Yeo Yong Poh & Co. of Bank of China to be appointed as the Auditors of the Company.

4. EXECUTIVE COMMITTEE (for life)

To Supervise and to assist the Company in its administration and affairs of matters concerning Company's insured and preferential share holders and to represent their rights and interest, to receive and keep all relevant documents. Share scripts bonds or title deeds belonging to the Company.

30

AB 31 - 33
Agenda of
Meeting held
on 19th
September,
1971.
(cont'd)

- (a) Tee Kia Meng (Chairman)
- (b) Na Yu Song (First Vice Chairman)
- (c) Lee Choon Huat (Second Vice Chairman)
- (d) Chan Pow Gek (Secretary)
- (e) Khoo Siew Ee (Deputy Secretary)

5. FINANCIAL COMMITTEE

Any suggestions of the Financial Committee shall be decided by the Board of Directors.

- (a) Khoo Chiang Poh
- (b) Tan Eng Huat
- (c) Yap Chwee Hock
- (d) Teo Kai Teck
- (e) Chew Yuan Heng
- (f) Khoo Teck Siew
- (g) Lim Kian Yait
- (h) Tan Teck Keam
- (i) Chua Say Eng

10

6. Any avenues for investment shall be decided by the Board of Directors.

7. NEW DIRECTORS Participation \$50,000.00

20

To make them as Directors subject to terms as decided by Board of Directors.

8. Every 3 months - a trial balance, a copy to all Directors.

9. Over \$90,000.00 - to transfer to fixed deposits of periods of 3 and 6 months.

10. EXPENSES:

\$50,000 allotted - if not enough - then Managing Director shall disburse from Company to meet excess expenditure (if any)

30

- 11. (a) Liew's problem
- (b) Liow's problem
- (c) Office Accountant
- 12. Office Space
- 13. (a) Money for allotment of shares

AB 31 - 33
 Agenda of
 Meeting held
 on 19th
 September
 1971.
 (cont'd)

First collection

₹30,000.00 each from 14 promoters

Total ₹420,000.00

Last Date for payment:

10

- (a) ₹300,000.00 - Statutory Deposit } Bank of
- (b) ₹80,000.00 - Current Account } Canton
- (c) ₹50,000.00 - Fixed Deposit

Second Collection

Before 31.12.1971

₹20,000.00 each from 14 promoters.

Right to sell out to others in any denominations.

20

Collection ₹280,000.00 - Whether to open another Bank.

- 14. Discussion on 7 new directors - terms and conditions November 1971 to decide by the Board of Directors, and Preferential Share.
- 15. January 1972 to offer Preferential Shares.
- 16. SEAL, MEMORANDUM & ARTICLES, SHARES SCRIPTS (ORDINARY & PREFERENTIAL) - Tan Eng Huat to attend to them.

30

The Agenda was read and confirmed by the under-mentioned Promoters.

AB 31 - 33
Agenda of
Meeting held
on 19th
September
1971.
(cont'd)

The Promoters hereby accept the Agenda and
their signatures are stated below also in attendance
is H.T. Sam. The Meeting was held on 19th September,
1971 at 10.00 a.m. to No. 35B, New Bridge Road,
Singapore.

Signed in Chinese
.....
KHOO CHIANG POH

Signed in Chinese
.....
TEO KAI TECK

Signed in Chinese
.....
NA YU SONG

Signed in Chinese
.....
TAN TECK KEAM

Signed
.....
LIM KAIN YAIT

Signed
.....
KHOO SIEW EE

10

Signed
.....
TAN ENG HUAT

Signed
.....
CHAN POW GEK

Signed in Chinese
.....
KHOO TECK SIEW

.....

Signed
.....
LEE CHOON HUAT

.....

Signed in Chinese
.....
TEE KIA MENG

.....

Signed
.....
YAP CHWEE HUAT

20

Signed in Chinese
.....
CHEW YUAN HENG

.....

COSMIC INSURANCE CORPORATION LIMITED

The first meeting of the Directors of Cosmic Insurance Corporation Limited held at No. 35B, New Bridge Road, Singapore on the 26th day of September, 1971 at 9.00 a.m.

Present:

- 10 Tan Eng Huat - Chairman
- Yap Chwee Hock - Vice Chairman
- Khoo Chiang Poh - Managing Director
- Khoo Teck Siew - First Deputy Managing Director
- Lee Choon Huat - Second Deputy Managing Director
- Lim Kain Yait - Secretary
- Teo Kai Teck - Treasurer
- Chew Yuan Heng - First Deputy Treasurer
- Na Yu Song - Second Deputy Treasurer
- Tee Kia Meng - Executive Director
- Khoo Siew Ee - Executive Director
- 20 Tan Teck Keam - Executive Director
- Chua Say Eng - Executive Director

Apologies from Chan Pow Gek accepted.

Mr. H.T. Sam for and on behalf of Chan Pow Gek

Mr. H.T. Sam, Solicitor) also attended.
The Secretary)

The Agenda of the meeting were circulated and confirmed.

The Board of Directors passes the following resolutions.

AB 34 - 37
Minutes of
Meeting of
Respondents
26th September
1971.
(cont'd)

1. Resolved that the under-mentioned named Executive Directors for life be appointed to the Board of Directors holding the respective posts as designated below and paid a monthly allowance of \$150.00 except Khoo Chiang Poh subject to review by the Board of Directors.

| | | |
|-----------------|-----------------------------------|----|
| Tan Eng Huat | - Chairman | |
| Yap Chwee Hock | - Vice Chairman | |
| Khoo Chiang Poh | - Managing Director | |
| Khoo Teck Siew | - First Deputy Managing Director | 10 |
| Lee Choon Huat | - Second Deputy Managing Director | |
| Lim Kain Yait | - Secretary | |
| Chan Pow Gek | - Assistant Secretary | |
| Teo Kai Teck | - Treasurer | |
| Chow Yuan Hong | - First Deputy Treasurer | |
| Na Yu Song | - Second Deputy Treasurer | |
| Tee Kia Meng | - Executive Director | |
| Khoo Siew Ee | - Executive Director | |
| Ten Teck Keam | - Executive Director | |
| Chua Say Eng | - Executive Director | 20 |
2. Resolved that Mr. Khoo Chiang Poh be appointed Managing Director and holds office for life in accordance to the Articles and Memorandum of Association and is responsible to the Board of Directors.
3. Resolved that the Managing Director and the Manager shall recruit suitable personnels to fill any posts sufficient enough to enable the Insurance Company operational. Further resolved that the Company shall set aside 15% of 1.2 million gross premium i.e. approximately \$180,000.00 to meet the yearly expenditure of the Company. 30
4. Resolved that the Company shall offer commission as per list number A, to any

Directors introducing insurance business to the Company.

AB 34 - 37
Minutes of
Meeting of
Respondents
26th September
1971.
(cont'd)

5. Resolved that the Company grants 1% of the gross premium of the whole of the Company's business to the Managing Director.
6. Resolved that the Managing Director is authorised to accept insurance Agents on such terms and conditions and subject to contract.
- 10 7. Resolved that the registered address of the Company shall be temporary at No. 35B, New Bridge Road, Singapore and that the registered office shall be removed to No. 28B, North Canal Road, Singapore as soon as the said premises are ready for occupation.
8. Resolved that the Board of Directors shall consider the report of the Managing Directors on excess commission and decide and determine on the payment of bonus to the staff and the executive Directors out of this special bonus fund.
- 20 9. Resolved that Dr. Fong Kum Hong be accepted as Executive Director for life on condition he subscribed initially to 30,000 shares and be given a Director's allowances of \$150.00 per month.
10. Resolved that (a) M/s. H.T. Sam & Company be appointed the legal Adviser on an Annual Retainer basis and Solicitor to the Company to attend to the Company's legal matters.
- 30 (b) Messrs. Yeo Yong Poh & Co. of No. 34/36 Bank of China, Fullerton Square, Singapore be appointed as Auditors of the Company.
11. Resolved that Mr. Lim Kain Yait be appointed as Secretary of the Company.
- 40 12. Resolved that the remaining six (6) vacant executive Directors posts shall for the time being postponed to a later date for consideration by the Board of Directors on its merits.

AB 34 - 37
Minutes of
Meeting of
Respondents
26th September
1971.
(cont'd)

13. Resolved that each Executive Director shall be allotted 50,000 shares of which at least a minimum of 30,000 shares have to be held in his or her name and that the remaining 20,000 shares can be issued and taken up by others personally known to the Executive Director. In the event the executive Director is unable to disposed of the 20,000 shares, his right to such allotment shall lapse and the Board of Directors shall decide on the matter as to the disposal of the such shares not taken up. 10
14. Resolved that Messrs. Khoo Chiang Poh, Tan Eng Huat, Yap Chwee Hock, Teo Kai Teck, Chew Yuan Heng, Khoo Teck Siew, Lim Kain Yait, Tan Teck Keam, Chua Say Eng be hereby appointed as members of the Financial Committee to submit proposals or suggestions for the consideration by the Board of Directors for avenues of investment. The members of this Committee shall hold office for years subject to renewal. 20
15. Resolved that the minutes of the meetings held on the 15.8.71 and 19.9.71 be confirmed after consideration and slight amendments.
16. Resolved that the signatories to the shares of the Company shall be in the manner hereinafter provided.

Ordinary Shares

There shall be three signatories to the ordinary shares and M/s. Khoo Teck Siew, Chua Say Eng and Lim Kain Yait shall sign on such share certificates. 30

Preferential Shares

There shall be three signatories to preferential shares namely (1) Lee Choon Huat (2) Tee Kia Meng (3) Chan Pow Gek.

17. Resolved that an Executive Committee be set up with power to supervise and to assist the company in its administration and affairs or matters concerning or relating to the Company's insured and be the nominees of such preferential holders to represent their rights and interests. 40

18. Resolved that the executive committee be given the authority and power to keep and have custody of all documents, sharescript documents, bonds titles deeds of properties of the company or documents of assets of company.
19. Resolved that the company opens a current and fixed deposit accounts with the Bank of Canton Limited, Singapore branch and that a sum of \$300,000.00 be deposited with the said Bank as fixed deposit for 12 months subject to renewal every 12 months to maintain the security for the continuing guarantee agreement.
20. Resolved that the amount of \$30,000.00 as the first payment of the first allotment of shares to each executive director shall be paid on or before the 10th October, 1971.
21. Resolved that the seal an impression whereof now made in the minute book be adopted as the common seal of the company and that the common seal be affixed to any documents deeds or instruments of all description in accordance to the Memorandum and Article of Association.
22. Resolved that the sum of \$50,000.00 be set aside as preliminary expenses of the company.
23. Resolved that a trial balance of the profit and loss accounts of the company be sent to every executive director every three (3) months.

Dated the 26th day of September, 1971.

| | |
|----------------------------|----------------------------|
| Signed | Signed in Chinese |
| TAN ENG HUAT | CHEW YUAN HENG |
| Signed in Chinese | Signed |
| KHOO CHIANG POH | TEO KAI TECK |
| Signed in Chinese | Signed in Chinese |
| NA YU SONG | TAN TECK KEAM |

AB 34 - 37
 Minutes of
 Meeting of
 Respondents
 26th September
 1971.
 (cont'd)

| | |
|----------------------------|----------------------------|
| Signed | Signed |
| LIM KAIN YAIT | LEE CHOON HUAT |
| Signed | Signed in Chinese |
| YAP CHWEE HUAT | KHOO SIEW EE |
| Signed | Signed in Chinese |
| CHUA SAY ENG | TEE KIA MENG |
| Signed in Chinese | Signed |
| KHOO TECK SIEW | CHAN POW GEK |

The signatures of the undermentioned persons
 are appended for their attendances at the
 First Meeting.

10

.....

AB 40 - 41
 Minutes of
 Meeting of
 Respondents
 14th November
 1971.

AB 40 - 41

Minutes of Meeting of Respondents

COSMIC INSURANCE CORPORATION LIMITED

35B New Bridge Road, Singapore

The Fourth meeting of the Company was held at No. 35B,
 New Bridge Road, Singapore at 9.00 a.m. on the 14th
 November, 1971.

Present:-

- Tan Eng Huat - Chairman
- Yap Chwee Hock - Vice Chairman
- Khoo Chiang Poh - Managing Director
- Khoo Teck Siew - 1st Deputy Managing Director
- Lee Choon Huat - 2nd Deputy Managing Director

20

Lim Kain Yait - Secretary
 Chan Pow Gek - Assistant Secretary
 Teo Kai Teck - Treasurer
 Chew Yuan Heng - 1st Deputy Treasurer
 Na Yu Song - 2nd Deputy Treasurer
 Tee Kia Meng - Executive Director
 Tan Teck Keam - Executive Director
 Khoo Siew Ee - Executive Director
 Dr. Fong Kim Heng - Executive Director
 10 John Soh Chin Siew - Executive Director
 Tan Seng Peow - Executive Director
 Tay Jak Seah - Executive Director
 Quek Siew Hwee - Executive Director
 Chew Kim Piao - Executive Director
 Kwek Pao Keok @
 Kwek Poh Kok - Executive Director
 Teo Lye Huat - Executive Director

AB 40-41
 Minutes of
 Meeting of
 Respondents
 14th November
 1971.
 (cont'd)

In Attendance:

H.T. Sam Esq.,

20 1. Resolved that the 2nd type of signatories to all cheques of the Company be adopted in the manner hereafter provided.

"In the event Mr. Tan Eng Huat or Teo Kai Teck is not available for signature, then anyone of the following persons namely Yap Chwee Hock, Chew Yuan Heng and Na Yu Song shall sign in substitution thereof. Provided always there shall be official notification or writing from Khoo Chiang Poh to that effect to the Bank."

30 2. Resolved that the proposed loan of \$400,000 from Bank of Canton Limited to the Executive Directors be

COSMIC INSURANCE CORPORATION LIMITED

35B New Bridge Road, Singapore

The Fourth meeting of the Company was held at No. 35B, New Bridge Road, Singapore at 9.00 a.m. on the 14th November, 1971.

Present:-

- | | | |
|----|--------------------|--------------------------------|
| | Tan Eng Huat | - Chairman |
| 10 | Yap Chwee Hock | - Vice Chairman |
| | Khoo Chiang Poh | - Managing Director |
| | Khoo Teck Siew | - 1st Deputy Managing Director |
| | Lee Choon Huat | - 2nd Deputy Managing Director |
| | Lim Kain Yait | - Secretary |
| | Chan Pow Gek | - Assistant Secretary |
| | Teo Kai Teck | - Treasurer |
| | Chew Yuan Heng | - 1st Deputy Treasurer |
| | Na Yu Song | - 2nd Deputy Treasurer |
| | Tee Kia Meng | - Executive Director |
| 20 | Tan Teck Keam | - Executive Director |
| | Khoo Siew Ee | - Executive Director |
| | Dr. Fong Kim Heng | - Executive Director |
| | John Soh Chin Siew | - Executive Director |
| | Tan Seng Peow | - Executive Director |
| | Tay Jak Seah | - Executive Director |
| | Tan Lin Siang | - Executive Director |
| | Quek Siew Hwee | - Executive Director |

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Minutes of
Meeting of
Respondents
14th November
1971.
(cont'd)

Chew Kim Piao - Executive Director
Kwek Pao Keok @
Kwek Poh Koh - Executive Director
Teo Lye Huat - Executive Director

In Attendance:

H.T. Sam Esq.,

1. Mr. Khoo Chiang Poh makes a thorough report on the formation of the Company, the appointment of Directors to various posts of the Company and other matters for the benefit of the new Directors. 10

2. Mr. H.T. Sam reports that up-to-date, the Guarantee Agreement for the Statutory deposit of \$300,000 has already been forwarded to the Accountant-General for signature by the office of the Insurance Commissioner. Mr. H.T. Sam further intimated that so long as the Company has a paid up of \$1.05 million our application for the licence stands a good chance especially so in the light of the Guarantee Agreement already forwarded for signature. Mr. Sam further adds the necessity to have a paid up of \$1.05 million which has up to now being solved since the Bank of Canton has agreed to lend us the money. 20

3. The following executive directors paid up their \$30,000 namely

- (i) Dr. Fong Kim Heng
- (ii) John Soh Chin Siew
- (iii) Tan Seng Peow
- (iv) Tay Jak Seah
- (v) Tan Lin Siang 30
- (vi) Quek Siew Hwee
- (vii) Chew Kim Piao
- (viii) Kwek Pao Keok @ Kwek Poh Koh
- (ix) Teo Lye Huat

4. The other applicants for allotment of shares less than 10,000 also paid up their shares namely:-

- (i) Mr. Sim Chin Nan
- (ii) Mr. Koh Seng King
- (iii) Mr. Tan Chin Heng
- (iv) Mr. Ng Ah Poh
- (v) Mr. Tan Ah Gu
- (vi) Mr. Yeo Hock Seng
- (vii) Madam Tan Whee Luan

AB 42 - 44
Minutes of
Meeting of
Respondents
14th November
1971.
(cont'd)

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5. The Board of Directors accepted the proposed loan from the Bank of Canton for \$400,000 and pass resolutions thereto.

6. The Board of Directors accepted Tan Seng Peow as a member of the Executive Committee on the same terms and for the same period as the previous appointment.

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7. The Board of Directors accepted Tan Teck Keam as Chairman of the Financial Committee and Khoo Teck Siew as Vice Chairman.

8. Mr. Khoo Chiang Poh reports on the nature of the signboard of the Committee. Discussions ensued and finally the Board accepted the signboard. Mr. Khoo Chiang Poh shall finalise the matter.

9. The Board of Directors accepted Tay Jak Seah as the second Assistant Secretary of the Company.

30

10. Mr. Khoo Chiang Poh explains the need for a second type of signatories to all cheques. The Board accepted that the second type of signatories to all cheques and passed resolutions thereto.

11. The Board of Directors accepted the applicants for ordinary shares namely:-

- (i) Mr. Sim Chin Nan
- (ii) Mr. Koh Song King
- (iii) Mr. Tan Chin Heng

Minutes of Meeting of Respondents

COSMIC INSURANCE CORPORATION
LIMITED

35B New Bridge Road, Singapore

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Minutes of
Meeting of
Respondents
14th November
1971.

The Fourth meeting of the Company was held at No. 35B, New Bridge Road, Singapore at 9.00 a.m. on the 14th November, 1971.

Present:-

- | | | |
|----|--------------------|--------------------------------|
| 10 | Tan Eng Huat | - Chairman |
| | Yap Chwee Hock | - Vice Chairman |
| | Khoo Chiang Poh | - Managing Director |
| | Khoo Teck Siew | - 1st Deputy Managing Director |
| | Lee Choon Huat | - 2nd Deputy Managing Director |
| | Lim Kain Yait | - Secretary |
| | Chan Pow Gek | - Assistant Secretary |
| | Teo Kai Teck | - Treasurer |
| | Chew Yuan Heng | - 1st Deputy Treasurer |
| | Na Yu Song | - 2nd Deputy Treasurer |
| 20 | Tee Kia Meng | - Executive Director |
| | Tan Teck Keam | - Executive Director |
| | Khoo Siew Ee | - Executive Director |
| | Dr. Fong Kim Heng | - Executive Director |
| | John Soh Chin Siew | - Executive Director |
| | Tan Seng Peow | - Executive Director |
| | Tay Jak Seah | - Executive Director |
| | Tan Lim Siang | - Executive Director |

AB 45 - 46
Minutes of
Meeting of
Respondents
14th November
1971.
(cont'd)

Quek Siew Hwee - Executive Director
Chew Kim Piao - Executive Director
Kwek Pao Keok @
Kwek Poh Kok - Executive Director
Teo Lye Huat - Executive Director

In Attendance:

H.T. Sam Esq.,

1. Resolved that Messrs. Tan Lim Siang, Quek Siew Hwee, Kwek Pao Keok @ Kwek Poh Kok and Teo Lye Huat be accepted as Executive Directors of the Company upon payment of \$30,000.00 for 30,000 shares to be allotted. 10

2. Resolved that Tan Seng Peow be accepted as a member of the Executive Committee on the same terms as previously resolved.

3. Resolved that Messrs. Tan Teck Keam and Khoo Teck Siew be appointed as Chairman and Vice Chairman of the Financial Committee of the Company for a term of 5 years.

4. Resolved that Mr. Tay Jak Seah be appointed as the 2nd Assistant Secretary of the Company. 20

5. Resolved that the second type of signatories to all cheques shall be in the following manner.

In the event Mr. Tan Eng Huat or Teo Kai Teck is not available to sign cheques, then anyone of the following persons namely Yap Chwee Hock, Na Yu Song and Chew Yuan Heng can sign in substitution. Provided always there shall be official notification in writing from Mr. Khoo Chiang Poh to the Bank.

6. Resolved that the following undermentioned applicants for ordinary shares be accepted provided they pay up the value of the shares. 30

| | <u>No. of shares</u> | |
|------------------------|----------------------|----|
| a. Mr. Sim Chin Nan | 5000 | |
| b. Mr. Koh Song King | 5000 | |
| c. Mr. Tan Chin Heng | 5000 | |
| d. Mr. Ng Ah Poh | 5000 | |
| e. Mr. Tan Ah Gu | 5000 | |
| f. Mr. Yeo Hock Seng | 2000 | |
| g. Madam Tan Whee Luan | 5000 | 40 |

Dated the 14th day of November, 1971.

AB 45 - 46
Minutes of
Meeting of
Respondents
14th November
1971.
(cont'd)

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AB 47
Notice of
Resolution
of
Respondents
2nd December
1971.

AB 47
Notice of Resolution of Respondents

FORM 11

THE COMPANIES ACT (CHAPTER 185)

Section 21(2)

NOTICE OF RESOLUTION

COSMIC INSURANCE CORPORATION LIMITED

To the Registrar of Companies,

At the 5th Board of Directors' meeting of the members of Cosmic Insurance Corporation Limited duly convened and held at No. 35B, New Bridge Road, Singapore on the 28th day of November 1971. the ordinary resolution in the annexure marked with the letter "A" and signed by me for purposes of identification was duly passed.

10

Dated this 2nd day of December, 1971.

Signed Khoo Chiang Poh

Managing Director

COSMIC INSURANCE CORPORATION
LIMITED

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Letter of Respondents to Commissioner of
Insurance

AB 48 - 56
Letter of
Respondents
to
Commissioner
for Insurance
3rd December
1971.

COSMIC INSURANCE CORPORATION LIMITED

Your Ref: I.C. 908/I

3rd December 1971.

The Commissioner of Insurance,
Ministry of Finance,
5th Floor, Fullerton Building,
Singapore.

10 Dear Sir,

re: COSMIC INSURANCE CORPORATION LIMITED
Application to underwrite General
Insurance Businesses Excepting Life.

1. We are desirous of obtaining your approval and to apply for registration as a Singapore Insurer under s. 4 of the Insurance Act to underwrite General Insurance Businesses excepting life and that eagerness is motivated by the fact that it has been reported in the Annual Report of the Insurance Commissioner for the year ended 31st December 1970 that the total premiums collected for the year ended 1969 in General Insurance amounted to \$74.01 million. Out of this amount Foreign Based Insurance Companies absorb 75.02% of the gross premiums as opposed to a mere 24.98% of the gross premium absorbed by locally based Insurance Companies for that particular year.
- 20
2. The statistical figures reported in the Annual Report of the Insurance Commissioner for the year ended 1970 establish beyond doubt the imbalance which can be corrected by the establishment of more locally based companies solely owned by Singaporeans and undertaking honest and genuine insurance to provide more General Insurance coverages for all fields of human endeavour, the Industrial and commercial and business life and the welfare of the Singaporeans at large. The nature of this imbalance is a fact to be reckoned with and it would surely be to the Republic's interest and benefit to reverse this imbalance. The aggravation of the effects of this imbalance is further magnified by the fact in the Annual Report of the Insurance Commissioner that about \$12.47 million of the Insurance Fund were utilised by both foreign and
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- 40

AB 48 - 56
Letter of
Respondents
to
Commissioner
for Insurance
3rd December
1971.
(cont'd)

locally based Insurance Companies towards the purchase of Government Securities and \$12.22 million in property investments. Out of the figures spent on investments, Foreign Companies takes up \$8.63 million for Government Securities and \$12.22 million for property investments. In comparison to the gross premiums collected by Foreign Companies for the year 1969 the amount spent in investments is meagre. The fact that Foreign Companies are taking a bigger share of the premiums collected in Singapore whilst investing a meagre amount in Singapore would definitely mean a sector of our financial economy is dominated by Foreign Companies and secondly a drain on our Foreign reserves.

10

3. Because of this imbalance and the desire to provide a wide coverage for General Insurance excepting life to meet the expanding needs of Singapore's Industrial and expanding economy, we have incorporated this company solely owned by Singapore Citizens to provide General Insurance for a wide coverage of human endeavour, the Industrial and Commercial life and the welfare of the Singapore community at large basing on Sound Insurance Principles for genuine and honest insurance for the benefit of the insured especially in Singapore. Our aim and aspiration is to close as much of the gap or the imbalance in respect of the assumption of insurance premiums by Foreign Companies.

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4. In compliance to s. 4(4)(a) of the Insurance Act, we confirm that the Company's surplus of assets over liabilities exceeds one million. We further confirm \$1,015,000 with the Banks together with the proofs (a) Bank of Canton Fixed Deposit receipt No. F/14388 for \$300,000.00 and current account No. 2123 for \$3,524.25 (b) Ban Hin Lee Bank Fixed Deposit 71/415 for \$300,000; Fixed Deposit No. 71/417 for \$300,000.00 and Current account No. 2124 for \$112,000.00.

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5. In compliance to Regulation 2(2) of INSURANCE COMPANIES REGISTRATIONS REGULATIONS, 1967 we enclose herewith the following documents for your perusal and attention:

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- (a) A printed copy of the Memorandum and Articles of Association of COSMIC INSURANCE CORPORATION LIMITED and a photostat copy of the Certificate of Incorporation.

(b) The address of the Company is at No. 35B, New Bridge Road, Singapore for the time being since the Company has decided to move to a bigger building as soon as our company has been registered as a Singapore Insurer. In fact we have rented premises at No. 28B, North Canal Road, Singapore as our future office premises and steps are being taken to renovate and carpet the premises

AB 48 - 56
Letter of
Respondents
to
Commissioner
for Insurance
3rd December
1971.
(cont'd)

10 (c) The names of the Directors of Cosmic Insurance Corporation Limited are as follows:-

- (i) Mr. Tan Eng Huat
- (ii) Mr. Yap Chwee Hock
- (iii) Mr. Khoo Chiang Poh
- (iv) Mr. Khoo Teck Siew
- (v) Mr. Lee Choon Huat
- (vi) Mr. Lim Kain Yait
- (vii) Madam Chan Pow Gek
- (viii) Madam Khoo Siew Ee
- 20 (ix) Mr. Teo Kai Teck
- (x) Mr. Chew Yuan Heng
- (xi) Mr. Na Yu Song
- (xii) Mr. Tee Kia Meng
- (xiii) Mr. Tan Teck Keam
- (xiv) Dr. Fong Kim Heng
- (xv) Mr. Tan Seng Peow
- (xvi) Mr. Tay Jak Seah
- (xvii) Mr. Tan Lin Siang
- (xviii) Madam Quek Siew Hwee
- 30 (xix) Mr. Chew Kim Piao

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Letter of
Respondents
to
Commissioner
for Insurance
3rd December
1971.
(cont'd)

(xx) Mr. Kwek Pao Keok @ Kwek Poh Kok

(xxi) Mr. Teo Lye Huat

6. The Auditors of Cosmic Insurance Corporation Limited is Mr. Yeo Yong Poh of Messrs. Yeo Yong Poh & Company of No. 34/36, Bank of China Building, Fullerton Square, Singapore subject to your approval under section 22(3) (c) of the Insurance Act. We would like to apply for your approval and we submit herewith the following information furnished to us by the firm of M/s. Yeo Yong Poh & Co. Mr. Yeo Yong Poh holds the following professional qualifications namely:-

10

- (a) PAS: FASA,
- (b) CPA (M), S.A.I.A.,
- (c) SCIS.

Mr. Yeo Yong Poh is also assisted by qualified assistant accountants and Mr. Yeo Sian Poh also an assistant in the firm holds the following qualification namely: AASA (prov).

7. The principal officer of the Company in Singapore is Mr. Khoo Chiang Poh of No. 14-A, Dakota Crescent, Singapore 14, and as Managing Director of the Company he shall be assisted by Mr. Foo Jee Chuan as Manager of the Company with a record of 20 years of experience in Insurance business is holding an ACII qualification. A photostat copy of his academic and practical experience is annexed herewith.

20

8. Our Company is solely owned by Singapore Citizens to provide a wide range of coverage for the insured in all fields of business, industrial and commercial risks and ventures, general insurance, excepting life as are stated in the objects of the Company. Initially the Company's sphere of activity shall be confined to Singapore and Malaysia.

30

9. The nominal capital of the Company is \$5 million consisting of 4 million ordinary shares at \$1/- per share, and 1 million non-cumulative preference share also at \$1/- per share. The creation of 2 classes of shares is to invite our insured to participate in a concern solely owned by Singaporeans. Such non-cumulative preference shares are given special benefits and rights in the Memorandum & Articles of

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Association so that the benefits of the Insurance Company can be spread to Singaporeans of the class which belong to Car Owners or otherwise subject of course to the insurers right to select the members of the non-cumulative preference shares. The non-cumulative preferential shares shall be offered to Car Owners or otherwise who are Singaporeans by nationality at a minimum of 100 shares or at a maximum of 1,000 shares. The subscribed and paid up capital of the Company is \$1,050,000 at the time of this application and we have decided to increase the paid up capital as and when required upon the granting of the Licence to underwrite insurance businesses.

AB 48 - 56
Letter of
Respondents
to
Commissioner
for Insurance
3rd December
1971.
(cont'd)

10. In compliance with Regulations 2(5) of the Insurance Companies Registration Regulations, 1967, the rates of premiums to be charged for policies of general insurance excepting life that is personal accidents; Insurance against Fire: Properties; Marine; Workmen Compensation; all types of industrial and business risks; Insurance against all other risks and other Insurance business excepting life shall in accordance to the rate of premiums prescribed by the General Insurance Association of Singapore and Malaysia. We enclose herewith the Certificate of Certification of Insurance rates to be charged.

11. We shall now set forth the summary of the experience of the principal officer of the Company:-

(a) Mr. Khoo Chiang Poh as the Managing Director of the Company shall be assisted by Mr. Foo Jee Chuan holding an ACII qualification with an experience of 20 years in Insurance business. Mr. Khoo Chiang Poh will be in charge of administration and investigation of claims, supervise the daily running of the Company's affairs and organising a net work of Agents of Cosmic Insurance Corporation Limited. Mr. Khoo Chiang Poh's experiences can be summarised as follows:-

(i) Khoo Chiang Poh has been in the Insurance business for over 17 years since 1953. Between the periods 1953-1956 he held the post of an agent and agent supervisor of life insurance of M/s. Wing on Life Insurance of Philip Street, Singapore.

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Letter of
Respondents
to
Commissioner
for Insurance
3rd December
1971
(cont'd)

(ii) From 1957 to 1969 he held the post of the business promoter, agent and agency supervisor of the whole of the business of Provincial Insurance Company Limited. Such a responsible post naturally offered a very wide experience in the insurance business of the Company.

(iii) From 1969 up to this present date he is an agent for China Insurance; Nanyang Insurance and Wing On Life Insurance for all types of general insurance business.

10

12. Thus Mr. Khoo Chiang Poh has the experience and ability to manage Cosmic Insurance Corporation Limited especially so when assisted by Mr. Foo Jee Chuan. Mr. Khoo Chiang Poh is a suitable and qualified man to be in charge of Cosmic Insurance Corporation Limited businesses and will be responsible to the Board of Directors of the Company. He has 17 years of experience in all types of Insurance businesses such as personal accidents especially Motor; Insurance against Fire; Properties; Marine; Workmen Compensation and also general insurance of all kinds including life. Mr. Khoo Chiang Poh has knowledge of the operation of re-insurance. His wide experience has enabled him to be quite knowledgeable in respect of all types of Insurance claims such as claims on fire; claims for movable properties; claims on theft; etc., of immovable properties; motor claims of all types of vehicles and claims in respect of general insurance of which he himself has personally attended during his term of employment with various Companies he has worked with.

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13. When Mr. Khoo Chiang Poh worked as a promoter in 1958 he was given absolute power to investigate fully into the Company's Insurance claims of all kinds and to ascertain the award to be paid in respect of such claims. Further his business as promoter and agent supervisor of Provincial Insurance Company Limited he knows the attendant problems and difficulties of insurance businesses and being a business promoter and agency supervisor he is well known and well mannered in the insurance circle. Since he himself had started as an agent before, he is aware of the trends of Insurance business to meet the needs of the Insurance community in Singapore and Malaysia and of all kinds

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of insurance coverages. Mr. Khoo Chiang Poh is quite recognised in the Insurance circle and he has experience in all types of insurance business of all fields. Mr. Khoo Chiang Poh would definitely be able to handle the affairs of the Company and would be properly managed since Mr. Khoo Chiang Poh himself is personally responsible to the Board of Directors.

AB 48 - 56
Letter of
Respondents
to
Commissioner
for Insurance
3rd December
1971.
(cont'd)

10 14. Mr. Khoo Chiang Poh is given the power to set up Executive Committees as in the Memorandum and Articles of Association under Article 100 to assist him in the daily running and administration of the office of the Company. Besides the Company has obtained the services of Mr. Foo Jee Chuan and others who are present employed in the insurance businesses.

20 If you are of the opinion that our company need further able staff, we are prepared to engage the services of such staff to meet your requirements or suggestions (if any). In compliance to Regulation 2(6) of the Insurance Companies Registration Regulations, 1967 we enclose herewith the Certificate of Certification duly signed by a Director.

We shall be obliged if you would give us an early reply as to whether our application is successful or not.

Yours faithfully,

30
Signature of Principal Officer
Khoo Chiang Poh

.....
Signature of Tan Eng Huat,
Chairman & Director of the
Company.

AB 61 - 63
Minutes of
Meeting of
Respondents
12th December
1971.

AB 61 - 63

Minutes of Meeting of Respondents

COSMIC INSURANCE CORPORATION LIMITED

35B New Bridge Road, Singapore

The Sixth Meeting of the Company was held at No. 35B, New Bridge Road, Singapore at 9.00 am on the 12th December, 1971.

Present:

| | | |
|--------------------|--------------------------------|----|
| Tan Eng Huat | - Chairman | 10 |
| Yap Chwee Hock | - Vice Chairman | |
| Khoo Chiang Poh | - Managing Director | |
| Khoo Teck Siew | - 1st Deputy Managing Director | |
| Lee Choon Huat | - 2nd Deputy Managing Director | |
| Lim Kain Yait | - Secretary | |
| Chan Pow Gek | - 1st Assistant Secretary | |
| Tay Jak Seah | - 2nd Assistant Secretary | 20 |
| Teo Kai Teck | - Treasurer | |
| Chew Yuan Heng | - 1st Deputy Treasurer | |
| Na Yu Song | - 2nd Deputy Treasurer | |
| Tee Kia Meng | - Executive Director | |
| Tan Teck Keam | - Executive Director | |
| Khoo Siew Ee | - Executive Director | |
| John Soh Chin Siew | - Executive Director | |
| Tan Seng Peow | - Executive Director | 30 |
| Tan Lim Siang | - Executive Director | |
| Quek Siew Hwee | - Executive Director | |
| Chew Kim Piao | - Executive Director | |

Kwek Pao Keok @
Kwek Poh Kok - Executive Director
Teo Lye Huat - Executive Director

AB 61 - 63
Minutes of
Meeting of
Respondents
12th December
1971.
(cont'd)

In Attendance:-

H.T. Sam Esq.

10 1. Mr. Khoo Chiang Poh reports on the progress
of the Company in respect of the Company's affairs
since we last met on the 28th November 1971. Mr.
Khoo Chiang Poh indicated that the success of the
formation of this Company is attributed to the
efforts of all Directors who can help the Company
in any way they can. The application for the licence
has been submitted by the Company's lawyer Mr. Sam
and whatever details required have also been brought
to the Insurance Commissioner for his approval.
This meeting is called in preparation to some of
the matters which can be considered to be urgently
required as soon as the licence is issued rather
20 than to wait for the issue of the licence first then
to consider the matter. The telephone lines will be
installed on the 14th December 1971 and the following
telephone lines have been given namely Nos. 984911,
984900 and 982988 upon payment of an additional fee
of \$30.00 for two special numbers. The office has more
or less been renovated and there are some minor
details to attend. All in all there has been
tremendously progress in the Company's affairs and
what is expected now is to wait for the licence to be
30 issued and in the meantime to consider whatever
problems or matters which can be discussed at the
meeting for the opening of our new office in
Singapore. This is why the meeting is called to
consider some of the items in preparation for the
future of the Company.

40 2. Mr. H.T. Sam confirms that the application
has been submitted on the 2nd December 1971 and
further supplemental application on 10th December
1971 fulfilling details of Cosmic Insurance
Corporation Limited. Our Mr. Sam expects a reply
before the end of December 1971 and there was no
legal difficulties in our application at all since
we have a capable man to run the office and assist
by able personnels who are well experienced in the
fields of Insurance. Our Mr. Sam further indicates
that the next meeting will be called only after the
issue of the licence to discuss any more details,

AB 61 - 63
Minutes of
Meeting of
Respondents
12th December
1971.
(cont'd)

the question of the nominal Company and other urgent matters requiring prompt attention as and when the opportunity or occasion arises. Mr. Sam also indicates that the Directors of this Company should maintain a veil of secrecy regarding matters transpired at meetings especially so regarding the financial matters.

3. Mr. Khoo Chiang Poh gives a preliminary account as to necessity for the change of auditors and moves of the resolutions to be passed to appoint T.S. Tay & Associates as auditors of the Company. 10

4. Mr. Khoo Chiang Poh intimated the necessity to fixed date for the final disposal of the 20,000 shares of the Executive Directors. Mr. Khoo Chiang Poh indicated that if any one is not in a position to buy the 20,000 shares or could not obtain his own relatives to purchase same then in all fairness the 20,000 shares for allotment should be released so that other Directors can request their own relatives or friends to purchase same. Mr. Khoo Chiang Poh suggested that the position regarding the 20,000 shares should be settled within 3 months from the date of the issue of the licence. On record it appears that most of us have sold part of our 20,000 shares and it is important that by the end of the 3 months from the date of the issue of the licence the 20,000 shares ought to be sold and if not sold to be assumed by the Executive Director. 20

5. Mr. Khoo Chiang Poh opens the discussions for the issue of preferential shares and calls for suggestions and any ideas as to the manner and form the prospectus or booklets and so on if needed for circulation to the public has to be approved by the Insurance Commissioner and therefore in view of the interval before the issue of the licence and now it is possible for the Directors to discuss as much as possible in the issue of the preferential shares and its terms and conditions and how and what fringe benefits are attached and when it become our insured. 30 40

6. Tan Eng Huat opens the discussions as to the necessity on cocktail party. Mr. Tan suggested that the cocktail should be 2 or 3 months from the date of the issue of the licence so as to enable the Company to finalise the matters. Mr. Tan suggested that Hung Kang Restaurant which is a short distance from our office be selected for the cocktail party.

The price is at \$2.50 per head excluding drinks. The matter was fully discussed. Mr. Tan moves that the resolutions be passed for the date for the opening of the cocktail party and the time and that the sum of \$ be set aside for the cocktail party.

AB 61 - 63
Minutes of
Meeting of
Respondents
12th December
1971.
(cont'd)

10 7. Our matters were also discussed like for example the question of the printing of cards, manner of allotment of invitation card for each Director and many other matters. It is also resolved that Mr. H.T. Sam be appointed to minute the Company's meeting at an annual fee of \$500.00.

Dated this 12th day of December, 1971.

Signed
Tan Eng Huat

Signed
Yap Chwee Hock

Signed
Khoo Chiang Poh

Signed
Khoo Teck Siew

Signed
Lim Kain Yait

Signed
Lee Choon Huat

20 Signed
Chan Pow Gek

Signed
Tay Jak Seah

.....
Teo Kai Teck

Signed
Chew Yuan Heng

Signed
Na Yu Song

Signed
Tee Kia Meng

Signed
Tan Teck Keam

Signed
for Khoo Siew Ee

.....
Gwee

Signed
John Soh Chin Siew

AB 61 - 63
Minutes of
Meeting of
Respondents
12th December
1971.
(cont'd)

Signed
.....

Tan Seng Peow

Signed
.....

Quek Siew Hwee

Signed
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Kwek Pao Keok @
Kwek Poh Kok

Signed
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Tan Lim Siang

Signed
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Chew Kim Piao

Signed
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Teo Lye Huat

AB 64 - 66
Letter
Respondents to
Commissioner
of Insurance
15th December
1971.

AB 64 - 66

Letter Respondents to Commissioner of
Insurance

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COSMIC INSURANCE CORPORATION LIMITED

Your ref: I.C. 908/I 15th December 1971.

The Commissioner of Insurance,
Ministry of Finance,
5th Floor, Fullerton Buildings,
Singapore.

Dear Sir,

Re: Application to be registered
as a Singapore Insurer -
Cosmic Insurance Corporation
Limited

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In accordance to your request for additional
information as stated in your letter of 13th
instant to our solicitors M/s. H.T. Sam & Co., we
state herewith the following additional information
so required by you:

- 2. (a) In response to your question No. 2(a)
the Corporation proposes to commence
transaction of Insurance business in
Singapore if registration is approved on
the 1st January 1972.

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(b) The amount by which the assets of the Corporation exceeds liabilities (including all contingent or prospective liabilities but not liabilities in respect of share capital) at the present time is exceeding \$1 million. In fact the amount of \$1,030,804.44 of which there are three fixed deposit of \$300,000.00 each plus an additional fixed deposit of \$100,000/- and the rest consists of current account credit balances. The amount likely to be when the Corporation starts or commences undertaking insurance underwriting business is \$1,030,804.44.

AB 64 - 66
Letter
Respondents to
Commissioner
of Insurance
15th December
1971.
(cont'd)

In response to your questions under paragraph 2(a) to (i) we enclose herewith the Schedule of Reply marked "A" for your information and attention.

We would like to clarify the position of preferential shareholders in relation to their insurance claims. It is to be noted that the insurance claims of preferential shareholders will be reviewed and investigated in the same manner and accorded the same treatment as any other claims as insureds. All insurance claims will be judged on the merits of each case irrespective of whether the claims come for preferential shareholders or not. The Corporation has adopted this policy because it cannot afford the intention of the Corporation to provide genuine and honest insurance to the insurance community of Singapore and Malaysia to be defeated by frivolous, fictitious or fabulous claims and you can be assured any attempts to do so would be immediately checked and prevented. It is to be noted that preferential shareholders do not occupy a special position in respect of insurance claims and they have no right to dictate the policy of the Corporation which shall remain with the Corporation.

We would like to place on record that the list of Directors as indicated in our application of the 3rd instant establishes beyond doubt that each Director who has applied for shares is the sole beneficial owner of the shares and are not assuming same as nominees for any person or persons, financial institutions or otherwise. This position is manifested in the share application form that the shares are assumed by the applicants as beneficial owners and not as nominees.

AB 64 - 66
Letter
Respondents to
Commissioner
of Insurance
15th December
1971.
(cont'd)

Lastly it is also to be noted that the Corporation has decided to engage the services of Mr. Stanley Chua Chwee Hong, a person with 30 years of experience in insurance business as the Manager of the Corporation with Mr. Foo Jee Chuan as the Assistant Manager to assist the Managing Director and the office staff in the discharge of the Corporations' duty and administration. It is further noted that Mr. Stanley Chua Chwee Hong is presently the Manager for Singapore in the Royal Exchange Assurance and we enclose herewith a photostat copy of the educational qualification and experience of Mr. Stanley Chua.

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We are extremely eager to commence underwriting insurance business upon the issue of the Licence to do so. We shall fulfil any of your requirements or suggestions and to give the Corporation's undertaking to that effect if the same is needed after the issue of the Licence. We look forward to your early reply.

Yours faithfully,

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COSMIC INSURANCE
CORPORATION LIMITED

COSMIC INSURANCE
CORPORATION LIMITED

Signed Khoo Chiang Poh
.....

Signed Tan Eng Huat
.....

Signature of Principal
Officer Khoo Chiang Poh

Signature of Tan Eng Huat
Chairman and Director of
the Company.

AB 67 - 78
Minutes of
Meeting of
Respondents
9th January
1972.

AB 67 - 78

Minutes of Meeting of Respondents

COSMIC INSURANCE CORPORATION LIMITED

9th January, 1972.

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The Seventh Meeting of the Company was held at the above address at 9.00 a.m. on the 9th January, 1972.

Present:

- Tan Eng Huat - Chairman
- Yap Chwee Hock - Vice-Chairman

- Khoo Chiang Poh - Managing Director
Khoo Teck Siew - 1st Deputy Managing Director
Lee Choon Huat - 2nd Deputy Managing Director
Lim Kain Yait - Secretary
Chan Pow Gek - 1st Assistant Secretary
Tay Jak Seah - 2nd Assistant Secretary
Teo Kai Teck - Treasurer
Chew Yuan Heng - 1st Deputy Treasurer
Na Yu Song - 2nd Deputy Treasurer
10 Tee Kia Meng - Executive Director
Tan Teck Keam - Executive Director
Khoo Siew Ee - Executive Director
John Soh Chin Siew - Executive Director
Tan Seng Peow - Executive Director
Tan Lim Siang - Executive Director
Quek Siew Hwee - Executive Director
Chew Kim Piao - Executive Director
Kwek Pao Keok @
Kwek Poh Kok - Executive Director
20 Teo Lye Huat - Executive Director

In attendance:

H.T. Sam Esquire.

1. Mr. Khoo Chiang Poh addresses the Board of Directors. Mr. Khoo Chiang Poh comments that the fine co-operation and patience shown by the Directors in the application for a licence to underwrite general insurance business have been rewarded with the successful application of a licence to underwrite general insurance for the Corporation.
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AB 67 - 78
Minutes of
Meeting of
Respondents
9th January
1972.
(cont'd)

2. Since we last met i.e. the 6th Board of Directors meeting on the 12th December 1971 our Company's lawyer have submitted all relevant documents to the Insurance Commissioner. The Commissioner of Insurance after our submission of our formal application intimated that they must get the services of a proper Auditor who has experience in auditing the accounts of insurance business and acceptable to the Insurance Commissioner. In view of this requirement we have engaged the services of M/s. T.S. Tay & Associates as our Auditors and supplemental application was submitted on the 10th December 1971. Thereafter on the 13th December 1971 the Insurance Commissioner's Department again intimated that because Cosmic Insurance Corporation has a potentially good scope for expansion in insurance business it is necessary to employ additional man as manager for the Corporation. It is suggested that we should either get an ACII man or a man with several years of experience in the insurance field and who has been a principal officer before. Under such circumstances efforts were made by me and Mr. Foo to obtain the services of such a person.

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3. Mr. Stanley Chua was proposed and a meeting was held whereby the terms were discussed before the Company's solicitor. It is clear that if at all the Corporation employs Stanley Chua he will have to offer him similar terms as he is now getting in his present employment or if not before prospectus so as to enable him to resign from his present employment to commence employment with us. Mr. Stanley Chua was under the impression that we are in no position to employ him because he was obtaining quite a good position and salary in his present employment. Mr. Khoo Chiang Poh's opinion is that the question of whether the Corporation is in a position to employ him depends on the amount of insurance business which the Company can assume per year that is to say the amount of gross premiums for the year and the amount of percentage set aside to meet the expenses of the Company in view of the fact that the Board of Directors have already set aside 15% of the gross premiums to meet the yearly expenses of this Corporation. Because of Mr. Chua's experience, the Corporation is in a position to offer him salary better prospectus so as to enable him to take a decision and come to work with us as a manager of the Insurance Company so that our immediate requirement

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from the Insurance Commissioner can be made. The past few days were hectic days because we have a dead-line to meet especially so we have informed the Government that the Corporation intends to commence business on the 1st January 1972. There is no other choice but to employ Mr. Chua on the terms acceptable to both parties. Mr. Chua therefore agreed to become the Corporation's Manager.

AB 67 - 78
Minutes of
Meeting of
Respondents
9th January
1972.
(cont'd)

10 4. One of the terms which motivated Mr. Chua to
resign from his present employment is that our
Corporation can provide him with a sufficiently
good prospect so that he can sink his heart and
soul in building up our Corporation. The
Corporation's offer of incentive is in the form of
giving him a share in the net profits of the
Corporation. It is also to be noted and understood
by Mr. Chua that in first year of the Company's
20 operation i.e. in 1972 there shall be no share in the
net profit of the Corporation since the Corporation
has just commenced business. Under the circumstances
the Corporation shall have to set aside to meet
this requirement. It is to be noted that this net
profit bonus has four useful purposes:-

(a) Firstly it is the form of incentive to the
Manager and Assistant Manager and office
employees to put their heart and soul in
expanding the Corporation's business on a
solid footing since net profit means that
30 the Corporation must make a profit and not a
loss. As such the Manager, Assistant Manager
and office staffs would be careful in the
discharge of their responsibilities and duties
as between the insured and the Corporation.

(b) Secondly such an incentive prevents the
occurrence of unscrupulous practices since
to enable the Corporation to make a profit
it can be expected that efforts would be
made to increase the profits of the
40 Corporation.

(c) Thirdly net profit is a means or a motivation
to expand the Corporation's business since any
expansion would naturally mean a gain in
profit as the psychological effect of being
responsible and honest in the discharge of
duties and responsibilities.

AB 67 - 78
Minutes of
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1972.
(cont'd)

(d) Net profits so far as the employees are concerned would not be paid in the form of net profit but in the form of bonus other than Mr. Chua and Mr. Foo and the very word of the bonus is a form of incentive to expand the Corporation's business.

5. The question of net profits would be under the supervision of Mr. Khoo, Mr. Chua and Mr. Foo and will be decided on the merits of each case.

6. Net profits can be regarded in our Corporation's expenditure and certainly does not hinder the Corporation's expansion but instead would bestall a climate of confidence, trust and loyalty to the employers. 10

7. Now that the licence has been issued to the Corporation to underwrite general insurance it is therefore necessary for us to consider and discuss what are the problems we have or what problems that arises and whatever matters or measures to be attended immediately upon the issue of the licence. 20
Since I have been made the Managing Director it is my bounden duty to see that the Corporation is properly run and properly supervised with full control over Agents and production with the assistance and co-operation of the Manager and the Assistant Manager in the discharge of our duties to the Corporation especially so when I am responsible to the Board of Directors. In view of this position if any Directors have any opinions or suggestions it is better that the matter is brought to my notice in respect of agencies and whatever matters arising and in view of the appointment as Managing Director it would be keeping with that post to be informed of any proposals or suggestions rather than to have matters placed in the hands of Manager or Assistant Manager before I am informed. The Corporation's success depends on the co-operation of the Directors and the office staffs. 30

8. It is therefore absolutely necessary to consider the question of paid up of 20,000 shares which has been tabled for discussions at today's meeting. We shall not discuss the items in the Agenda in accordance to the manner presented. 40

9. Mr. H.T. Sam confirms that the licence to underwrite general insurance by the Corporation has been issued. The licence was produced for the

inspection of the Board of Directors. Now that
the licence has been issued it is most essential
that the Corporation when commencing business
observe whatever undertakings that have been
previously given to the Insurance Commissioner
and to comply with the laws of Singapore. It is
true that the employment of Mr. Chua is
absolutely necessary and this employment is a
blessing in disguise because we have an able man
to build the Corporation's future. The terms of
the employment of Mr. Chua was thoroughly discussed
at the Corporation's lawyers office and the terms
have been accepted by him. His decision to accept
the post was motivated by the fact that he has a
share in the net profit of the Corporation and in
view of the comments by Mr. Khoo Chiang Poh and the
immediate necessity to meet the requirements of the
Insurance Commissioner, the Corporation has to
employ Mr. Chua. The employment can be considered
as an important step in the right direction in
building the prospectus of the Corporation.
Various forms have been filed with the Registrar
of Companies and the Registrar of Companies
requires fresh execution of Consent to Act as
Director. Mr. Sam added that at the end of this
meeting the Consent to Act as Director shall be
circulated for all Directors to sign since the
Registrar of Companies wants to know by this time
whether there has been any changes in the
composition of the Directors. If any one decides to
resign from the post of Directorship then he should
not sign this form. The Registrar of Companies
requires the filing of this document and unless
this is done a Certificate of Commencement of
Business shall not be issued. Even the prospectus
requires the signature of all the Directors and the
sooner this is done the Corporation can commence
business otherwise if we take steps to sell our
preferential shares we shall be infringing not only
the Companies Act but also the Insurance Act.
Changes in the Auditors also come about because of
intimation from the Insurance Commissioner and it
is a necessity and being placed in that position
the Corporation has to accept so that the licence
can be issued to the Corporation.

10. It is important that any opinions or
suggestions for release to the Press Conference
should be submitted to Mr. Khoo Chiang Poh for my
consideration because the Insurance Act requires
approval from the Insurance Commissioner as to the

AB 67 - 78
Minutes of
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Respondents
9th January
1972.
(cont'd)

particular form and manner of position. Any infringement will incur a penalty. Another immediate problem we have to deal is the question of the 20,000 shares to be paid up. It is all essential that steps should be taken to fulfil this in the shortest possible time in view of the necessity to do so.

11. Mr. Tan Eng Huat moves the discussions on the Press Conference. Most of the Directors took part in the discussion and various views and suggestions as to how the Press Conference should be conducted and who should be present were made. It is decided that every Director is welcome to the Press Conference which should be at the office of the Corporation but the spokesmen for the day shall be Mr. Khoo Chiang Poh and Mr. Tan Eng Huat. It is impossible for every Director to talk on that day. 10

12. Mr. Khoo Chiang Poh suggested that Article 98 should be amended in view of the fact that Directors of the Corporation are receiving commissions if they introduce business to the Corporation since accounts would be created for each Director. In view of the matter being resolved previously Amendments of this Article is absolutely necessary and the amendment would be passed. Mr. Khoo Chiang Poh moved that the Resolution be passed and the Resolution was passed. 20

13. Mr. Khoo Chiang Poh moved the discussions of preferential shares. Mr. Khoo went on at length as to the necessity of preferential shares and draft outline as to how it should be done and what possible fringe benefits can be attached to preferential shares. The matter was thrown open for discussions to the Board of Directors. Many views were expressed and some conditions were noted when opinions and suggestions crystallised into concrete conditions to be attached. Many of the Directors took part in the discussions. It was finally decided that the matter be postponed to a later date for discussions on this matter since this aspect form an important issue in the Corporation set up. 30 40

14. Mr. Tan Eng Huat moves the discussions of the cocktail party since a sum of \$10,000 has been set aside for cocktail and an order of 3,000 cards for the occasion. The next step to take is to decide

on the distribution of the invitation cards. The sample of the card was presented by Mr. Tan Eng Huat for consideration to the Board as to its form manner and presentation. Various views were expressed and it was decided that the date should be set aside for the cocktail party. The date was to be decided on the day of

10 It is noted that all directors should submit a list of guests to the Corporation so as to avoid similar invitation sent out by co-director in view of our limited seats for the cocktail party. It is also decided that two weeks before the cocktail party the lists of guests from the Directors should be submitted so that the Corporation would be in a position to know exactly how many guests are coming. The guests book containing signatures would be placed at the entrance of the Company for the guests to sign. The opening ceremony of the Corporation would be held at the office of the Corporation and therefore guests would be invited to the Corporation premises first and thereafter adjourned to the New Hung Kang for the cocktail. There were also discussions on other matters in connection with the cocktail.

15. Mr. Tan Eng Huat explains the necessity for the net profit bonus. In view of the necessity to provide incentive for the expansion of the Corporation's business it is necessary to set aside 10% net profit for the distribution especially for the reasons advanced by Mr. Khoo Chiang Poh. The Resolution to set aside 10% of net profit bonus was passed.

16. Mr. Lee Choon Huat opens discussions on Dr. Fong Kim Heng's participation in the Corporation. Dr. Fong Kim Heng has been made Executive Director for Life and the share qualification is 30,000 shares. If no payment is made then the Corporation shall have to insist on interest on arrears or to waive it, but it is not possible to leave the matter open in view of the circumstances. Various views were expressed as to the necessity of a course of action. The Board of Directors felt that a person should only assume the post of nominal director if he has shown or assist the Corporation in some way which merits attention of the Corporation. It was resolved that Dr. Fong Kim Heng should not be made a nominal director. It was decided that Dr. Fong be given 2 weeks to pay up the shares otherwise he will not remain as Executive Director.

AB - 67-78
Minutes of
Meeting of
Respondents
9th January
1972.
(cont'd)

17. Mr. Khoo Chiang Poh opens the discussions regarding the premises at No. 28-B, North Canal Road, Singapore. Mr. Khoo informed the Board of Directors that a six month's deposit has to be paid to the Landlord and to enter into tenancy agreement with the Landlord. Mr. Khoo suggested that the tenancy agreement should be for 3 years. It was finally decided that the Corporation takes up tenancy for 3 years and optioned period of 2 years.

18. Mr. Tan Eng Huat opens the discussion as to the necessity of purchasing two Company's cars, namely one for the use of the Manager and the other one for the Company of which both cars belong to the Company. The matter was thrown open for discussions. Various views were expressed. It was decided that the Company purchases a medium size car for the Manager and a Mercedes 200 for the Corporation of which said cars shall be purchased on Hire Purchase terms so that the Company only incur the initial deposit and thereafter it is in a form of monthly instalment. It was decided that Mr. Khoo would decide on the particular make of the car. The decision of the make of the car shall be on the basis that it would save as much of the Corporation funds as possible.

19. Mr. Teo Kai Teck opens the discussion as to the necessity for the issue of ordinary sharescript since applicants already approved have asked for the shares. Mr. Khoo Chiang Poh suggested that the sharescript should be in the following denomination that is between 1,000-5,000 shares so that in future it would be easier to deal with transactions (if any) for ordinary shares. As such the Corporation has requested Mr. Tan Eng Huat to print 500 pieces of ordinary sharescripts. As for the preferential shares the denomination shall be for the region of between 100-500 shares. The Board decided that a thousand pieces should be printed initially.

20. Mr. Khoo Chiang Poh suggested that the Company's Seal should be deposit in the Corporation's safe. Mr. Tan Eng Huat reports that the Seal would be delivered to the Corporation one week from today's date or later if the Seal is not ready.

21. Other Matters

Mr. Khoo Chiang Poh suggested that Messrs. Teo Lye Huat and Mr. Kwek Pao Keok @ Kwek Poh Kok

be made members of the Financial Committee of the Corporation and similarly as the previous appointment. Mr. Khoo Chiang Poh further suggested that Mr. Tan Lim Siang, Mr. Quek Swee Hwee, Mr. Tay Jak Seah and Mr. Chew Kim Piao be made Executive Committee of the Corporation.

AB 67 - 78
Minutes of
Meeting of
Respondents
9th January
1972.
(cont'd)

The Board decides that on or before the 28th February 1972 the payment of 20,000 shares should be made by each Director.

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Dated this 9th day of January 1972.

Signed Signed

Signed Signed

Signed Signed

Signed Signed

Signed Signed

Signed Signed

Signed Signed

Signed Signed

Signed Signed

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Signed Signed

..... Signed

AB 67 - 78
 Minutes of
 Meeting of
 Respondents
 9th January
 1972.
 (cont'd)

| <u>NAMES</u> | <u>NO. OF SHARES</u> | |
|--|----------------------|----|
| Chin Kwan Yoon | 2,000 | |
| Lim Kiang Jin | 3,000 | |
| Lim Kiat Jin | 3,000 | |
| Lim Khan Jin | 3,000 | |
| Lee Mui Puang @ Lee Mui Puang Gregory | 3,000 | |
| Tan Huang Poh | 2,000 | |
| Chua Atau | 2,000 | |
| Khoo Chew Chua | 3,000 | 10 |
| Khoo Tou Khiang | 5,000 | |
| Ling Nguang Moy | 4,000 | |
| Tee Khim Hoe | 5,000 | |
| Teo Tong Hwang | 5,000 | |
| Sim Chin Nan | 2,000 | |
| Yap Chwee Hock | 5,000 | |
| Wee How Jiang | 3,000 | |
| Tan Eng Huat | 5,000 | |
| Teo Kai Teck | 3,000 | |
| Khoo Chiang Poh | 3,000 | 20 |
| | <u>61,000</u> | |
| | ===== | |
| Total | 61,000 | |

No. 13 of 1979

IN THE JUDICIAL COMMITTEE OF THE
PRIVY COUNCIL

O N A P P E A L
FROM THE COURT OF APPEAL IN SINGAPORE

B E T W E E N :

COSMIC INSURANCE CORPORATION
LIMITED Appellants
(Respondents)

- and -

KHOO CHIANG POH Respondent
(Appellant)

RECORD OF PROCEEDINGS

LINKLATERS & PAINES,
Barrington House,
59-67 Gresham Street,
LONDON EC2V 7JA.

Solicitors for the Appellants