

IN THE JUDICIAL COMMITTEE OF THE PRIVY COUNCIL

O N A P P E A L

FROM THE COURT OF APPEAL OF THE REPUBLIC OF SINGAPORE

B E T W E E N :

MERCHANT CREDIT PRIVATE LIMITED Appellants
(Defendants)

- and -

INDUSTRIAL & COMMERCIAL REALTY Respondents
COMPANY LIMITED (Plaintiffs)

RECORD OF PROCEEDINGS

DOUGLAS GOLDBERG & CO.
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Solicitors for the
Appellants

NORTON, ROSE, BOTTERELL
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Camomile Street,
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Solicitors for the
Respondents

IN THE JUDICIAL COMMITTEE OF THE PRIVY COUNCIL

O N A P P E A L

FROM THE COURT OF APPEAL OF THE REPUBLIC
OF SINGAPORE

B E T W E E N :

MERCHANT CREDIT PRIVATE LIMITED Appellants
(Defendants)

- and -

INDUSTRIAL & COMMERCIAL REALTY
COMPANY LIMITED Respondents
(Plaintiffs)

RECORD OF PROCEEDINGS

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No.20 of 1981

IN THE JUDICIAL COMMITTEE OF THE PRIVY COUNCIL

O N A P P E A L

FROM THE COURT OF APPEAL OF THE REPUBLIC OF SINGAPORE

B E T W E E N :

MERCHANT CREDIT PRIVATE LIMITED

Appellants
(Defendants)

10

- and -

INDUSTRIAL & COMMERCIAL REALTY COMPANY LIMITED

Respondents
(Plaintiffs)

RECORD OF PROCEEDINGS

No. 1a

WRIT OF SUMMONS AND AMENDED STATEMENT OF CLAIM

In the High Court of Singapore

No.1a
Writ of Summons and Amended Statement of Claim

3rd April 1976

20

Amended as deleted in red pursuant to Order 20 Rule 1 of the Rules of the Supreme Court 1970 Dated the 6th day of April 1976
Sgd. (Illegible)

ASST. REGISTRAR

WRIT OF SUMMONS
IN THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

Suit No.1413 of 1976

B E T W E E N :

INDUSTRIAL & COMMERCIAL REALTY COMPANY ~~PRIVATE~~ LIMITED

Plaintiffs

30

AND

MERCHANT CREDIT PRIVATE LIMITED
Defendants

In the High
Court of
Singapore

No.1a
Writ of
Summons and
Amended
Statement of
Claim
3rd April 1976
(continued)

THE HONOURABLE MR. JUSTICE WEE CHONG JIN,
CHIEF JUSTICE OF SINGAPORE IN THE NAME AND ON
BEHALF OF THE PRESIDENT OF THE REPUBLIC OF
SINGAPORE

To: Merchant Credit Private Limited, a limited
Company incorporated in Singapore and
having its registered office at Suite 425
(4th Floor), Industrial & Commercial Bank
Building, No.2 Shenton Way, Singapore.

We command you that within eight days 10
after the service of this Writ on you,
inclusive of the day of such service, you do
cause an appearance to be entered for you in a
cause at the suit of Industrial & Commercial
Realty Company ~~Private~~ Limited, a limited
Company incorporated in Singapore and having
its registered office at The Industrial &
Commercial Bank Building, No.2 Shenton Way,
Singapore.

and take notice, that in default of your so 20
doing the Plaintiff may proceed therein to
judgment and execution.

WITNESS Mr. Tan Wee Kian, Registrar of the
Supreme Court in Singapore the 3rd day of April,
1976.

Sd.

Solicitor for the
Plaintiffs

Sd.

Registrar
Supreme Court, Singapore.

NOTE - This Writ may not be served more 30
than twelve calendar months after the above
date unless renewed by Order of Court.

The Defendant (or Defendants) may appear
hereto by entering an appearance (or appearances)
either personally or by Solicitor at the Registry
of the Supreme Court.

A Defendant appearing personally may, if
he desires, enter his appearance by post, and
the appropriate forms may be obtained by sending
a Postal Order for \$5.00 with an addressed 40
envelope to the Registrar, Supreme Court,
Singapore, 6.

NOTE:- If the Defendant enters an
appearance, then, unless a summons for judgment
is served on him in the meantime, he must also
serve a Defence on the solicitors for the

Plaintiff within 14 days after the last day of the time limited for entering an appearance otherwise judgment may be entered against him without notice

In the High Court of Singapore

No.1a
Writ of Summons and Amended Statement of Claim

3rd April 1976
(continued)

STATEMENT OF CLAIM
(ANNEXED HERETO)

10 And \$125.00 (or such sum as may be allowed on taxation) for costs, and also, if the Plaintiff obtains an Order for Substituted Service, the further sum of \$60.00 (or such sum as may be allowed on taxation). If the amount claimed and costs be paid to the Plaintiff or his solicitors within eight days after service hereof (inclusive of the day of service), further proceedings will be stayed, but if it appears from the indorsement on the Writ that the Plaintiff is resident outside the Scheduled Territories as defined by the Exchange Control Act (Chapter 245), or is acting by order or on behalf of a person so resident, proceedings will only be stayed if the amount claimed and costs is paid into Court within the said time and notice of such payment in is given to the Plaintiff or his solicitors.

20 This Writ is issued by YIN EE KHENG of Room 401 (4th Floor), Afro-Asia Building, No.63 Robinson Road, Singapore, Solicitor for the said Plaintiffs, ~~whose address is/are~~ a limited Company incorporated in Singapore and having its registered office at The Industrial & Commercial Bank Building, No.2 Shenton Way, Singapore.

30 ~~NOTICE OF SERVICE ON MANAGER OF PARTNERSHIP~~

~~TAKE NOTICE that the Writ of Summons is served on you as the person having the control or management of the partnership business of the above named Defendant firm of (and also as partner in the said firm)~~

~~SOLICITORS FOR THE PLAINTIFF~~

40 This Amended Writ was served by me, ~~by way of personal service~~ in accordance with the terms of an Order for Substituted Service on the Defendant who is known to me/who was pointed out to me by/who admitted to me that he was leaving a copy of same at their registered office at Suite 425 (4th Floor) I.C.B.Bldg, 2 Shenton Way,

on Wednesday the 7th day of April 1976
Indorsed the 7th day of April 1976

Sd: (Illegible)
Process Server

In the High
Court of
Singapore

STATEMENT OF CLAIM

No.1a
Writ of Summons
and Amended
Statement of
Claim
3rd April 1976
(continued)

1. By a letter dated 28th June 1973 and sent to the Defendants ("the Company") the Plaintiffs applied for 332,500 shares of \$1.00 each in the Company and paid \$332,500.00 ("the purchase money") in respect of the said application. By a receipt dated 28th June 1973 the Defendants acknowledged receipt of the purchase money.

2. It was an express or implied term of the said application ("the application") that any allotment must be made within a reasonable time after which time the application would lapse. 10

3. No valid allotment of shares had been made by the Company pursuant to the application.

4. In or about December 1974 the Plaintiffs informed the Company, or the Company otherwise became aware, that the application had been withdrawn and that the Plaintiffs required the return of the purchase money. The Plaintiffs have continued to press for the said return. 20

5. Further or alternatively, no allotment was made within a reasonable time and the application has accordingly lapsed.

6. No part of the purchase money has been repaid to the Plaintiffs.

7. On 30th April 1975 it was resolved by the Board of Directors of the Company that interest at the rate of 12% per annum be paid on the purchase money from 1st December 1974 and the said interest has been paid. 30

8. In the premises the Plaintiffs have become entitled to the return of the purchase money.

And the Plaintiffs claim :-

(1) The return of the said sum of \$332,500.00 together with interest thereon at a rate of 12% per annum from 28th June 1973 until payment of the said sum save insofar as any interest has been paid as aforesaid.

(2) Costs. 40

Sd; (Illegible)

Solicitor for the Plaintiffs

No.1
WRIT OF SUMMONS AND RE-
AMENDED STATEMENT OF CLAIM

In the High
Court of
Singapore

Re-amended in green pursuant to Order 20 Rule 1
of the Rules of the Supreme Court, 1970
Dated the 6th day of April 1976

Sd: JEFFREY CHAN
ASST. REGISTRAR

No.1
Writ of Summons
and Re-amended
Statement of
Claim

7th September
1976

10 WRIT OF SUMMONS
IN THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

Suit No.1413 of 1976 BETWEEN:

INDUSTRIAL & COMMERCIAL REALTY
COMPANY LIMITED

Plaintiffs

AND

MERCHANT CREDIT PRIVATE LIMITED

Defendants

20 THE HONOURABLE MR. JUSTICE WEE CHONG JIN, CHIEF
JUSTICE OF SINGAPORE, IN THE NAME AND ON BEHALF OF
THE PRESIDENT OF THE REPUBLIC OF SINGAPORE

To: Merchant Credit Private Limited, a limited
Company incorporated in Singapore and having
its registered office at Suite 425 (4th Floor)
Industrial & Commercial Bank Building, No.2
Shenton Way, Singapore.

30 We command you that within eight days after
the service of this writ on you, inclusive of the
day of such service, you do cause an appearance to
be entered for you in a cause at the suit of
Industrial & Commercial Realty Company Private
Limited, a limited company incorporated in Singa-
pore and having its registered office at The
Industrial & Commercial Bank Building, No.2 Shenton
Way, Singapore. and take notice, that in default
of your so doing the plaintiffs may proceed
therein to judgment and execution.

WITNESS Mr. Tan Wee Kian, Registrar of the Supreme
Court in Singapore the 3rd day of April 1976.

40 Sd: YIN EE KHENG
Plaintiffs'
Solicitors

Sd: JEFFREY CHAN
Asst.Registrar,
Supreme Court, Singapore

This writ may not be served more than twelve
calendar months after the above date unless
renewed by order of the court.

The defendant (or defendants) may appear hereto

In the High
Court of
Singapore

by entering an appearance (or appearances)
either personally or by a solicitor at the
Registry of the Supreme Court.

No.1
Writ of Summons
and Re-amended
Statement of
Claim

A defendant appearing personally may, if he
desires, enter his appearance by post, and the
appropriate forms may be obtained by sending a
Postal Order for \$ with an addressed
envelope to the Registrar, Supreme Court,
Singapore, 6.

7th September
1976

If the defendant enters an appearance,
then, unless a summons for judgment is served
on him in the meantime, he must also serve a
defence on the solicitor for the plaintiff within
14 days after the last day of the time limited
for entering an appearance, otherwise judgment
may be entered against him without notice.

10

(continued)

AMENDED STATEMENT OF CLAIM

1. By a letter dated 28th June 1973 and sent
to the Defendants ("the Company") the Plaintiffs
applied for 332,500 shares of \$1.00 each in the
Company and paid \$332,500.00 ("the purchase
money") in respect of the said application. By a
receipt dated 28th June 1973 the Defendants
acknowledged receipt of the purchase money.

20

2. It was an express or implied term of the
said application ("the application") that any
allotment must be made within a reasonable time
after which time the application would lapse.

3. No valid allotment of shares has been made
by the Company pursuant to the application.

30

4. In or about December 1974 the Plaintiffs
informed the Company, or the Company otherwise
became aware, that the application had been with-
drawn and that the Plaintiffs required the return
of the purchase money. The Plaintiffs have
continued to press for the said return.

5. Further or alternatively, no allotment was
made within a reasonable time and the application
has accordingly lapsed.

6. ~~No part of the purchase money has been
repaid to the Plaintiffs.~~

40

Alternatively, the purchase money was paid
to or held by the Company as a loan of which the
following were express or implied terms:

In the High
Court of
Singapore

No.1
Writ of Summons
and Re-amended
Statement of
Claim

7th September
1976

(continued)

(a) The moneys loaned were to be used as capital in a business venture involving the building of an ice-skating rink in Kuala Lumpur ("the project")

(b) If the project were successfully-completed the said loan, would be discharged in consideration of the issue to the Plaintiffs of the shares hereinbefore referred to.

(c) If the project were not successfully completed the moneys loaned would be repaid on demand or alternatively within a reasonable time of its abandonment.

10
20
~~7. On 30th April 1975 it was resolved by their Board of Directors of the Company that interest at the rate of 12% per annum be paid on the purchase money from 1st December 1974 and the said interest has been paid~~

On or before December 1974 it became abundantly clear and apparent that the Defendants were unable to proceed with the project as planned and it was abandoned.

8. ~~In the premises the Plaintiffs have become entitled to the return of the purchase money.~~

30
The circumstances referred to in paragraph 4 above constituted a demand for repayment of the said loan. Alternatively, by a letter dated 5th July 1975 the Plaintiffs demanded repayment of the said loan. In the further alternative, a reasonable time lapsed between the abandonment of the project and the issue of the Writ herein.

9. No part of the purchase money has been repaid to the Plaintiffs.

10. On the 30th April, 1975 it was resolved by the Board of Directors of the Company that interest at the rate of 12% per annum be paid on the purchase money from 1st December 1974 and the said interest has been paid.

11. At an Extraordinary General Meeting of the Company held on 31st March 1976 the Shareholders passed an ordinary resolution authorising the Directors of the Company inter alia to allot

In the High
Court of
Singapore

No.1
Writ of Summons
and Re-amended
Statement of
Claim

7th September
1976

(continued)

332,500 shares of \$1.00 each to the Plaintiffs.

12. In the premises the Plaintiffs have become entitled to the return of the purchase money and purported allotment of shares pursuant to the said resolutions or otherwise is or will be null and void and not binding on the Plaintiffs.

And the Plaintiffs claim :-

(1) The return of the said sum of \$332,500.00 together with interest thereon at a rate of 12% per annum from 28th June 1973 until payment of the said sum save insofar as any interest has been paid as aforesaid.

10

(2) Costs

A declaration that the application has lapsed or been withdrawn and that any purported allotment of shares in the Company to the Plaintiffs pursuant to the said resolution or otherwise is or will be null, void and of no effect.

20

(3) Costs.

Sd: Yin Ee Kheng
Solicitors for the Plaintiffs

Re-amended in green pursuant to Order of
Court dated the 27th day of August, 1976

Dated the 7th day of September, 1976

Sd: K.E.Martin
DY. REGISTRAR

And \$125.00 (or such sum as may be allowed on taxation) for costs, and also, if the plaintiff obtains an order for substituted service, the further sum of \$60.00 for such sum as may be allowed on taxation). If the amount claimed and costs be paid to the plaintiff or his solicitor within 8 days after service hereof (inclusive of the day of service) further proceedings will be stayed, but if it appears from the indorsement on the writ that the plaintiff is resident outside the scheduled territories, as defined by the Exchange Control Ordinance, 1953, or is acting by order or on behalf of a person so resident, proceedings will only be stayed if the amount claimed and costs is paid into court within the said time and notice of such payment in is given to the plaintiff or his solicitor.

In the High Court of Singapore
No.1
Writ of Summons and Re-amended Statement of Claim
7th September 1976
(continued)

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Sd: YIN EE KHENG
Solicitors for the Plaintiffs

~~NOTICE OF SERVICE ON MANAGER OF PARTNERSHIP~~

~~Take notice that the writ of summons is served on you as the person having the control or management of the partnership business of the above-named defendant firm of~~

~~(and also as a partner of the said firm (a))~~

~~Dated this _____ day of _____ 19~~

~~Solicitors for the Plaintiff~~

30

Note: (a) If the person served with the writ of summons is served in the two capacities of manager and partner, the clause should be left standing. If he is served as manager only, it should be struck out.

40

This writ is issued by YIN EE KHENG of Room 401 (4th Floor), Afro-Asia Building, No.63 Robinson Road, Singapore 1 Solicitors for the said Plaintiffs ~~whose address is~~ a limited Company incorporated in Singapore and having its registered office at The Industrial & Commercial Bank Building, No.2 Shenton Way, Singapore.

This writ was served by
by way of personal service (or as may be)
on the Defendant

(who is known to me
(who was pointed out to me by
(who admitted to me that he was

at _____ on _____ the _____ day of _____ 19
Indorsed the _____ day of _____ 19

In the High
Court of
Singapore

No. 2

DEFENCE AND COUNTERCLAIM

No.2
Defence and
Counterclaim

25th October
1976

IN THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

Suit No. 1413)
of 1976)

Between

INDUSTRIAL & COMMERCIAL REALTY
COMPANY LIMITED

Plaintiffs

And

MERCHANT CREDIT PRIVATE LIMITED

10

Defendants

DEFENCE & COUNTERCLAIM

DEFENCE

1. The Defendants do not admit paragraphs 1 to 9 of the Amended Statement of Claim.

2. Until the 31st day of March, 1976, the shareholders of the Defendant Company are :

(i) Arthur Lipper International Ltd.
(ALI) (47.5%);

(ii) Industrial & Commercial Bank Limited
(ICB) (47.5%);

20

(iii) D. F. H. Sinclair (5%).

3. The Defendants are a company carrying on the business of merchant banking and investments.

4. Each of the three shareholders referred to in paragraph 2 hereof is represented by a Director on the Board of Directors, which Board in 1972 and 1973 comprised 3 members namely :

(i) William H. Crafter (ALI's representative);

(ii) Hwang Yen Kang (ICB's representative
and managing director of ICB); and

30

(iii) D. F. H. Sinclair.

- In the High
Court of
Singapore
No.2
Defence and
Counterclaim
25th October
1976
5. (i) In early 1972, the three shareholders of the Defendants decided to invest in an ice-skating rink project in Kuala Lumpur (hereinafter referred to as the "said Project"). Positive steps were then taken to look for a suitable piece of land in Kuala Lumpur and to purchase the necessary ice-skating equipment.
- 10 (ii) On or about the month of April 1973, a suitable piece of land and the requisite ice-skating equipment were found. The purchase price of the said piece of land and equipment amounted to the sum of \$1 million or thereabouts.
6. (i) At this stage, the authorised share capital of the Defendant Company was \$1 million and 300,000 shares were issued and fully paid up.
- 20 (ii) A decision was made to increase the authorised capital of the Defendants.
- (iii) In order to raise the necessary funds to pay towards the purchase price of the said land and equipment the shareholders decided that each of the shareholders will subscribe further shares in the Defendants in the following proportions :-
- 30 (i) ALI 47½% - 332,500 shares
(ii) ICB 47½% - 332,500 shares
(iii) D F.H.Sinclair 5% - 35,000 shares
- thus increasing the paid-up capital from \$300,000 to \$1 million.
7. (i) It was further agreed that the capital so contributed would be credited to a Share Application Account in the Defendants' accounting records and the actual issue of shares would be deferred until such time as the said Project proved to be a going concern.
- 40 (ii) Pursuant to the said agreement the Directors convened a meeting on the 20th day of June 1973 to authorise the increase in the share capital from \$1 million to \$2 million.
8. On or about 28th June 1973 the said Mr Hwang Yen Kang handed a cheque for \$332,500.00 to the

In the High Court of Singapore

No.2
Defence and Counterclaim

25th October 1976

(continued)

Defendants and, upon his instructions subsequently, a receipt was issued in the name of the Plaintiff Company, a subsidiary of ICB in respect of the said subscription of 332,500 shares.

9. On or about May 1973, the necessary funds collected were then utilised to purchase the said piece of land and equipment. The shareholders were duly informed of this development by way of a letter dated the 11th day of May, 1973 from Major William H Crafter, the then Director of the Defendant Company. 10

10. After the land was purchased the Defendant Company encountered planning problems concerning re-zoning. Coupled with other circumstances and for business reasons the Defendants were unable to go ahead with the Project as planned.

11. On or about the 30th day of April, 1975, the Board of Directors convened a meeting to discuss, inter alia, the problems that had accrued in respect of the Project. It was finally agreed at the said meeting, that the Defendants should take positive steps to dispose of the land and ice-skating equipment in Kuala Lumpur. 20

12. The Defendants agree with paragraphs 10 and 11 of the Statement of Claim.

13. The Defendants do not admit paragraph 12 and the prayers in the Amended Statement of Claim. 30

14. The Defendants will contend that the Plaintiff Company had by its own act become a shareholder duly allotted with 332,500 shares.

15. Alternatively, the Plaintiff Company is estopped by the equitable principle in the High Trees Case from demanding repayment until the said land and machinery are sold as the Defendants had acted on the representation of ICB, the Plaintiff Company's agent or principal, that its payment of \$332,500.00 was meant solely for the purchase of the said land and machinery and, having relied and acted on such representation, the Defendants had altered their position by actually having purchased the said land and machinery. 40

16. Save as hereinbefore expressly admitted the Defendants denies each and every allegation contained in the Statement of Claim as if the

same had been set out seriatim and expressly denied.

In the High
Court of
Singapore

COUNTER-CLAIM

No.2
Defence and
Counterclaim

The Defendants repeat paragraphs 2 to 11, 14 and 15 of the Defence.

25th October
1976

The Defendants' claims against the Plaintiff Company are for -

(continued)

- 10 (a) A declaration that the Plaintiff Company is a shareholder of the Defendants and holds 332,500 shares.
- 20 (b) Alternatively, a declaration that the Plaintiff Company participated in the purchase of the said land and machinery by way of partnership and is only entitled to payment of the nett balance of its investment of \$332,500.00 in the said land and machinery after sale thereof and taking into account all expenses and losses, directly and indirectly connected with such investment, to be determined in accordance with proper accounting principles.

Dated and Delivered this 25th day of October, 1976.

Sd: Chor Pee & Hin Hiong
Solicitors for the Defendants.

To the Plaintiff and its Solicitors,
Yin Ee Kheng & Company,
SINGAPORE.

In the High
Court of
Singapore

No. 3

LETTER TO APPELLANTS'
SOLICITORS

No.3
Letter to
Appellants'
Solicitors

21st March
1977

YIN EE KHENG & CO.
YIN EE KHENG

Room 503 (5th Floor)
I.C.B. Building
Advocates & Solicitors
Commissioner for Oaths
Singapore 1 P.O.Box 1389
Tel. 2211611 (2 lines)

Your ref: LCP/lyy/1063/75
Our ref: YEK/SP/725/76

10

21st March, 1977

M/s. Chor Pee & Hin Hiong,
Singapore.

Dear Sirs,

re: Suit No. 1413 of 1976

We refer to the above Suit and to the
Defence and Counter-claim filed by your clients.

Our clients require the following further
and better particulars.

20

(1) Under Paragraph 5 of the Defence:-

Of "the three shareholders of the
Defendants decided to invest in an ice-
skating rink project in Kuala Lumpur"
stating :-

(i) whether the said decision was
recorded in writing or otherwise
and if recorded specifying the
record.

(ii) whether the three shareholders
agreed to invest as aforesaid and
if so whether the said agreement
was oral or in writing; if oral
specifying between which persons,
when and where the same was agreed
and the words used; if in writing
identifying the document or documents
relied on.

30

Of "Positive steps were then taken"
stating by whom such steps were taken.

40

(2) Under Paragraph 6(i) of the Defence:- In the High Court of Singapore

Of "A decision was made to increase the authorized capital of the Defendants" stating by whom the said decision was made and specifying any record thereof.

No.3
Letter to Appellants' Solicitors

(3) Under Paragraph 6(ii) of the Defence:- 21st March 1977

"the shareholders decided that each of the shareholders will subscribe further shares in the Defendants" in the proportions therein specified, stating: with regard to such decision and any agreement to the same effect the like particulars sought herein in respect of the decision alleged in paragraph 5 of the Defence.

(continued)

(4) Under Paragraph 7(i) of the Defence:-

Of "It was further agreed that the capital so contributed would be credited to a Share Application Account" stating by whom it was so agreed and whether the said agreement was oral or in writing; if oral, specifying between which persons, when and where the same was agreed and the words used; if in writing identifying the document or documents relied upon.

(5) Under Paragraph 14 of the Defence:-

Of "the Plaintiff Company had by its own act become a shareholder duly allotted with 332,500 shares" specifying (i) the act or acts performed by the Plaintiffs by which they became such a shareholder (ii) the provisions of the Articles of Association of the Defendant Company enabling the Plaintiffs to become a shareholder as aforesaid.

(6) Under Paragraph 15 of the Defence:-

Of "the Defendants had acted on the representation of ICB, the Plaintiff Company's agent or principal, that its payment of \$332,500 was meant solely for the purchase of the said land and machinery" stating :-

(i) whether the said representation was oral or in writing

In the High
Court of
Singapore

No.3
Letter to
Appellants'
Solicitors

21st March
1977

(continued)

(ii) if oral, by which person, to whom,
when and where the same was made
and the words used

(iii) if in writing identifying the
document or documents relied on.

We shall be obliged if you will let us
have the foregoing particulars in the form of a
pleading within seven (7) days from the date of
this letter and if you will consent to the time
for service of the Reply and Defence to Counter-
claim being extended for 14 days after service
of the particulars so as to avoid the necessity
of an application to the Court.

10

Yours faithfully,

Sd: YIN EE KHENG & CO.

No.4
Further and
Better Parti-
culars

15th June 1977

No. 4

FURTHER AND BETTER
PARTICULARS

IN THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

Suit No.1413)
of 1976)

Between

20

Industrial & Commercial Realty
Company Limited

Plaintiffs

And

Merchant Credit Private Limited

Defendants

FURTHER AND BETTER PARTICULARS
PURSUANT TO A LETTER OF REQUEST
DATED 21ST MARCH 1977

Under Paragraph 5

30

The decision to invest in an ice-skating
rink project in Kuala Lumpur was made sometime

in 1972 as a result of various verbal discussions between the three directors D.F.H. Sinclair, William H.Crafter and Y.K.Hwang, representing the shareholders of the Defendants.

In the High Court of Singapore

The positive steps were undertaken by William H.Crafter, a director of the Defendants.

No.4
Further and Better Particulars

Under Paragraph 6(ii)

15th June 1977

10 The decision were made by the three directors of the Defendants as recorded in the minutes of the Board of Directors' Meeting dated 20th June 1973.

(continued)

Under Paragraph 6(iii)

The decision in 1973 to subscribe further shares in the Defendants in the agreed proportions was made verbally by the three directors representing the shareholders on the Board of the Defendants.

Under Paragraph 7

20 The same said directors of the Defendants orally agreed to credit the additional capital to a Share Application Account.

Under Paragraph 14

The act referred to was the payment of the sum of \$332,500.00 by the Plaintiff Company and was evidenced by a letter dated 28th June 1973 in which the Plaintiff Company made a formal application for 332,500 shares in the Defendants.

The enabling provision is Article 4 of the Defendants' Articles of Association.

30 Under Paragraph 15

The representation was made orally by ICB's representative on the Defendants' Board of Directors.

Dated this 15th day of June 1977

Sd: Chor Pee & Hin Hiong
Solicitors for the Defendants

To the Plaintiffs and their Solicitors,
Messrs. Yin Ee Kheng & Co.
SINGAPORE.

In the High
Court of
Singapore

No. 5

REPLY AND DEFENCE TO
COUNTERCLAIM

No.5
Reply and
Defence to
Counterclaim

11th July 1977

IN THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

Suit No. 1413)
of 1976)

Between

INDUSTRIAL & COMMERCIAL REALTY
COMPANY LIMITED

Plaintiffs

And

10

MERCHANT CREDIT PRIVATE LIMITED

Defendants

REPLY AND DEFENCE TO COUNTERCLAIM

R E P L Y

1. Save as is hereinafter admitted, the Plaintiffs join issue with the Defendants on their Defence.

2. Paragraph 2 of the Defence is admitted.

3. It is admitted that the Defendants carried on the business of investment and gave loans but save as aforesaid paragraph 3 of the Defence is denied. 20

4. It is admitted that the three (3) persons named in paragraph 4 of the Defence were directors on the Board of Directors as alleged in paragraph 4 of the Defence. It is further admitted that Hwang Yan Kang was the then managing director of Industrial & Commercial Bank Limited. It is denied that the directors represented the shareholders as therein alleged. 30

5. (i) It is denied that the three (3) shareholders of the Defendants decided to invest in an ice-skating rink project in Kuala Lumpur in 1972 as alleged in paragraph 5 of the Defence and under paragraph 5 of the Further and Better Particulars of the Defendants filed herein on the 15th day of June, 1977 or at any other time. Any steps taken

to look for suitable land and to purchase any ice-skating equipment for the said project were taken by the Defendants in 1973.

In the High Court of Singapore

No.5
Reply and Defence to Counterclaim
11th July 1977
(continued)

(ii) Save that the Plaintiffs will say that the said land and equipment were found by the Defendants, paragraph 5(ii) of the Defence is admitted.

6. Paragraph 6(i) of the Defence is admitted.

10 7. At an Extraordinary General Meeting of the Defendant Company on 20th June 1973 it was resolved inter alia that the share capital of the Defendants be increased from \$1 million to \$2 million. It is admitted that the Plaintiffs applied for 332,500 \$1.00 shares in the Defendant Company and paid \$332,500.00 in the circumstances set out in the Statement of Claim herein, and it is further admitted that it was
20 agreed by the directors of the Defendant Company that the said monies would remain in a share application account until allotment of the said shares or the return of the said monies. Save as aforesaid, paragraphs 6(ii), 6(iii), 7 and 8 of the Defence are denied.

30 8. It is admitted that ice-skating equipment was purchased by the Defendants at some time in 1973 but save as aforesaid paragraph 9 of the Defence is denied. A plot of land for the purposes of the project was purchased by Malaysian Recreation Co. Sdn. Bhd., a subsidiary company of the Defendants.

9. Paragraph 10 of the Defence is admitted.

10. The Plaintiffs admit that it was resolved at the meeting referred to in paragraph 11 of the Defence that the said Mr. Crafter should continue to take positive steps to dispose of the land and ice-skating equipment in Kuala Lumpur as speedily as possible. Save as aforesaid paragraph 11 of the Defence is denied.

40 11. Save and except that the Plaintiffs made a formal application for 332,500 shares, paragraph 14 of the Defence and the Further and Better Particulars of the Defendants filed herein on the 15th day of June, 1977 are denied.

12. It is denied that the Plaintiffs are estopped from demanding repayment as alleged in Paragraph 15 of the Defence or at all. In

In the High
Court of
Singapore

No.5
Reply and
Defence to
Counterclaim

11th July 1977

(continued)

particular it is denied that the Plaintiffs or their agents made any representation as therein alleged, or alternatively that the Defendants acted on any such representation as is therein alleged or at all. The Further and Better Particulars of the Defendants under paragraph 15 filed herein on the 15th day of June, 1977 is denied.

13. Alternatively, if, which is denied, the Plaintiffs were estopped from demanding repayment as alleged in the said paragraph 15, the Plaintiffs will say that such estoppel operated only for a reasonable time from the abandonment of the said project within which time the said land and equipment should have been sold. Such a reasonable time had expired by the date of the issue of the Writ herein. 10

DEFENCE TO COUNTERCLAIM

14. As to the Defendants' repeating paragraphs 2 to 11, 14 and 15 of the Defence, the Plaintiffs repeat their Reply and Statement of Claim herein. 20

15. In the premises the Plaintiffs deny that the Defendants are entitled to the relief sought in the Counterclaim. In particular, the Plaintiffs deny the existence of any partnership between themselves and the Defendants.

Dated and Delivered this 11th day of July 1977.

Sd: Yin Ee Kheng & Co. 30

Solicitors for the Plaintiffs

To:- The abovenamed Defendants
and its Solicitors,
M/s. Chor Pee & Hin Hiong,
Singapore.

We consent to this document being filed out of time.

Sd: Chor Pee & Hin Hiong

Solicitors for the Defendants

No. 6
NOTES OF EVIDENCE

In the High
Court of
Singapore

IN THE HIGH COURT IN SINGAPORE

Suit No. 1413 of 1976

No. 6
Notes of
Evidence
15th July 1979

Between

Industrial & Commercial Realty
Company Limited

Plaintiffs

And

10 Merchant Credit Private Limited

Defendants

Coram: Choor Singh J.

NOTES OF EVIDENCE

Monday, 15th July 1979

T.Q.Lim for pl'tfs.
Lim Chor Pee with Helen Yeo for defds.

First Agreed Bundle AB.1 to AB.152
Second Agreed Bundle AB.153 to AB.176

Lim applies to add to para.11 of S/Claim:

20 "and the said shares were purportedly
allotted to the pl'tfs. on 31.3.76"

Chor Pee has no objection.

Amendment is allowed.

Intld. C.S.

P.W.1 Hwang Yen Kang, affd.

I live at 16Y, Leonie Hill Rd. S'pore 9.

30 Banker - retired banker - now consultant
with O.C.B.C. From 1954 to end of 1974 I was
Managing Director of I.C.B. In 1974 my
designation was changed to Chief Executive
Director of I.C.B. Continued as such until
31.12.74. From 1.1.75 I relinquished office of

15th July 1979

(continued)

Executive Director and became adviser to the bank prior to retirement. Continued to be an ordinary Director of the bank. Retired from I.C.B. on 1.1.75.

Pltf. Co. is a subsidiary of I.C.B. I was at all times the Managing Director of the Pltf. Co. until Dec. 31, 1974. I retired from Board of Directors of the Pltf. Co. in Jan. 1975.

10

AB.1 to AB.7 is an agreement to from the defd. Co. between Industrial & Commercial Bank, Arthur Lipper International Ltd. and Donald Sinclair. Pages 8 to 42 are part of this agreement. Pages 43 to 45 contain draft Management Agreement. Prior to this agreement, I discussed with ALI and Sinclair. I met Arthur Lipper the third. I was introduced to him by Sinclair. I also met Mr. Crafter. Lipper and Crafter represent ALI Ltd.

20

AB.46 contains minutes of first meeting of defd. Co.

Co. was to be managed by A.L.I. of Hong Kong.

AB.11 is Memo of Association.

Original intention was to carry on the business of merchant banking.

A.B.50 contains minutes of another meeting.

Purpose of buying Chequers Pte Ltd. was to put up an ice skating rink.

30

AB.77 - minutes of another meeting. Co. sold its interest in Chequers because we could not get planning approval.

The Co. then contemplated a similar project in Malaysia. We went up to K.L. and negotiated with Dato Lim Goh Tong of Genting Highlands Bhd. I went with Arthur Lipper and Crafter. We have discussions. A site was available - the Chin Woo Stadium was intended to be used as an ice skating rink. Dato Lim told us that he had just bought that stadium. We talked about a possible joint venture with him. He was interested. Dato Lim caused to be issued a

40

P.W.1 Hwang Yen Kang
xn.-in-ch. (contd.)

In the High
Court of
Singapore

letter of credit and purchased equipment on
behalf of the joint venture parties - the
defd. Co. and Genting Berhad.

No.6
Notes of
Evidence

15th July 1979

(continued)

10 Later we heard about trouble, about the
Chin Woo Stadium - that Dato Lim had only paid
a deposit and that the sale and purchase had not
been completed. Finally the sale was not
completed and Dato Lim decided to withdraw. Dato
Lim pulled out in early 1973 from the joint
venture.

Genting had already bought the ice skating
equipment. Defd. Co's directors decided to
look for another site.

20 I see A.B.55. I received this memorandum.
It describes land we were looking for. It was
a suitable site - 86,654 sq.ft. at \$3.00 p.s.f.
We bought this land in the name of our subsidiary
- Malaysian Recreation Co. Sdn. Bhd. Defd. Co.
held 76% in Malaysian Recreation Co. Sdn. Bhd.
Remaining 24% were held by the seller of the
land - Teo Kai Joo.

Defd. Co. bought over the ice skating
equipment from Genting Bhd. A.B.56 is memorandum
describing the purchaser. Funding was discussed.

30 A.B.58 is an application by the pltf. Co.
for the purchase of 332,500 shares of \$1.00 each
in the defd. Co. A.L.I. also made a similar
application.

40 The issue of shares was deferred until the
ice skating project proved to be a going concern.
This was discussed and agreed to by all
directors. If the project did not prove to be
a going concern I don't think the shares were to
be issued. If for one reason or other, we could
not proceed with this project the money was to
be refunded. This was my suggestion. My co-
directors agreed with it. How the money was to
be refunded was not discussed. Where the Co.
was going to get the money to fund it, was not
discussed. If we knew we had only a slim
chance, we could not have gone in. We were
confident the project would succeed. If the
U.D.A. came in, then it would be almost certain
that we would get the conversion from existing
use to the intended use. U.D.A. did not come
in. The Co. applied for conversion. I believe

In the High
Court of
Singapore

No.6
Notes of
Evidence

15th July 1979
(continued)

P.W.1 Hwang Yen Kang
xn.-in-ch. (contd.)

so. Crafter attended to that. Conversion was refused. The project was abandoned after some time.

I see A.B.167. I received it. My reply is at A.B.169. A.B.170 is Sinclair's reply.

The ice skating project was abandoned at the latest in July 1974.

I see A.B.71. Before this letter was written I had discussions with Mr. Lipper. I brought up the question of our share application money. I asked that our money be refunded as soon as possible. Para.3 reflects what we discussed. 10

A.B.73 is my letter to Lipper. There was a conversation on 23rd Dec. 1974. Item 3 in A.B. 73 was the result of that discussion.

I see A.B.74. I received a copy of it. Return of the share application money is not disputed. 20

I see A.B.76. The Board decided to raise a loan to refund \$332,500 to the pltf. Co. The Board was told that the pltf. Co. required the return of the money. Don't remember who told this to the Board. I think that it was I who suggested that a loan be raised. We discussed sale and if sale was not advisable because of the tax position, a loan was agreed upon. I remember I mentioned that one of our associate finance companies in Malaysia could be approached for a loan. I said that I could introduce this finance company - Tong Bee Finance Co. (Malaysia) Bhd. or something like that - I can't remember the exact name. I don't think there was any decision to approach this Co. It was only a suggestion. Don't know if they approached Tong Bee Finance. No one informed me about it. 30

I see A.B.81. I received this letter. Lipper visited me. We discussed the question of payment of \$332,500 to the pltfs. I told him that they must honour the agreement to refund the money to the pltfs. 40

I see A.B.82. It says "Merchant Credit should shortly be in a position to pay \$332,500 to I.C.R."

P.W.1. Hwang Yen Kang
xn. -in-ch. (contd.)

In the High
Court of
Singapore

I see A.B.84. I did express dissatisfaction
with the defds. failing to refund \$332,500/-.

No.6
Notes of
Evidence

I see A.B.98. They are minutes of meeting.
I never told - at no time at all - that the
money need not be refunded to the pltfs. until
the land in K.L. and the ice skating equipment
is sold.

15th July 1979
(continued)

10 Xxd. by Lim Chor Pee

Chor Pee applies to amend paras.14, 15 and
para.(b) of the pages in S/Defence. Hands
in Amended Defence (marked Ex.D.1).

T.Q.Lim objects.

Entirely new defence. Complete departure
from the old defence. Asks hearing to be
adjd. to a date to be fixed as pltfs. will
plead to the amendments and apply for
particulars or raise interrogatories.

20 Asks for costs thrown away to be paid by
defds. to the pltfs. forthwith.

Chor Pee:

I am just making things clear. My client
has come all the way from America. In that
case I withdraw my application to amend and
my Defence as filed stands.

Court: No order on the application.

Sgd. CHOR SINGH

Adjd. to 17.7.79 at 10.30 a.m.

30 Tuesday, 17th July 1979.

Hearing resumed in ct.
Parties and counsel as before.

P.W.1 Hwang Yen Kang, ohfa.

Xxd. by Chor Pee

Q. Look at A.B.1?

A. Yes.

Q. This agreement is the basis for the
formation of the defd. Co.?

In the High
Court of
Singapore

No.6
Notes of
Evidence
15th July 1979
(continued)

P.W.1 Hwang Yen Kang

Xxd. (contd.)

- A. Yes.
- Q. Sinclair is the middleman and has a casting vote in case there is a deadlock between the main shareholders?
- A. Yes.
- Q. Clause 3 provides for loans by the two main shareholders - equally?
- A. Yes. 10
- Q. You were the representative of I.C.B. on the Board of the defd. Co.?
- A. Yes.
- Q. Defd. Co. could not make any investment unless the two main shareholders agreed?
- A. Yes.
- Q. Until the middle of 1974 there was no dispute?
- A. Yes.
- Q. After the Co. was formed, Crafter joined the Board? You got on very well with him? 20
- A. Yes.
- Q. You also got on well with the other director - Arthur Lipper?
- A. Yes.
- Q. Look at A.B.50?
- A. Yes.
- Q. New capital was needed.?
- A. Yes.
- Q. For various business ventures? 30
- A. Yes.
- Q. A.B.54 - resolution to increase capital was passed?
- A. Yes.
- Q. At that time the office of the defd. Co. was at I.C.B. building?
- A. Yes.
- Q. Early 1973, Crafter was managing the defd. Co.?
- A. Yes. 40

P.W.1 Hwang Yen Kang
Xxd. (contd.)

In the High
Court of
Singapore

No.6
Notes of
Evidence
15th July 1979
(continued)

Q. He was in constant touch with you over the phone?

A. Yes.

Q. Always kept you informed?

A. I believe so.

Q. Dato Lim is your friend?

A. Yes.

10 Q. You introduced him to defd. Co.?

A. Yes.

Q. And then Crafter started negotiations?

A. Yes.

Q. After the Chin Woo Stadium deal fell through, the defd. Co's directors decided to look for land in K.L. to build its own skating rink - in 1973?

A. Correct.

Q. Crafter was asked to look for the land?

20 A. Yes.

Q. He found the site behind Taylor's College? See A.B.154.

A. Yes.

Q. You inspected the site?

A. Yes.

Q. And you approved the purchase of this land?

A. Yes.

Q. It was purchased by a subsidiary company?

A. Yes.

30 Q. Look at A.B.156?

A. Yes

Q. The amounts set out are strictly according to the shareholders' agreement?

A. Yes.

Q. Look at A.B.165?

This memo summaries the funding requirements?

A. Yes.

Q. You received it?

A. Yes.

In the High
Court of
Singapore

No.6
Notes of
Evidence

15th July 1979
(continued)

P.W.1 Hwang Yen Kang
Xxd. (contd.)

- Q. Look at A.B.58?
- A. Yes.
- Q. Pltfs. applied for 332,500 shares?
- A. Yes.
- Q. That was on 28.6.73?
- A. Yes.
- Q. Look at this computation? (D.2)
- A. Yes. 10
- Q. The issue of 332,500 shares would bring your bank's holding to exactly 47.5%?
- A. Yes.
- Q. That is the percentage agreed in the shareholders' agreement?
- A. Yes.
- Q. The paid up capital would come up to a neat one million?
- A. Yes.
- Q. The pltf. Co. is a wholly owned subsidiary of your bank? 20
- A. Yes.
- Q. So in June 1973, the three shareholders through their nominee directors in the defd. Co. decided to invest in the K.L. ice skating project by buying land and equipment?
- A. Correct.
- Q. The total cost of the investment in K.L. was \$900,000 to a \$1 million?
- A. Yes. 30
- Q. To meet the cost of this K.L. investment, the shareholders - I.C.B., A.L.I. and D. Sinclair agreed to subscribe more shares in accordance with the shareholders' agreement?
- A. Yes.
- Q. Pursuant to that, I.C.B. arranged for the pltf. Co. to send a cheque for \$332,500 to the defd. Co.?
- A. Before sending the cheque, I consulted the other directors and told them that pltf. Co. would subscribe for the shares instead of I.C.B. They agreed. 40

P.W.1 Hwang Yen Kang
Xxd. (contd.)

In the High
Court of
Singapore

No.6
Notes of
Evidence
15th July 1979
(continued)

Q. Similarly A.L.I. also paid in their subscription of \$332,500?

A. I believe so.

Q. The new capital was used to pay for the land and equipment?

A. It was meant for the K.L. project.

Q. The money was in fact used for the K.L. project?

A. Yes.

Q. See A.B. 68?

A. Yes.

Q. These are the notes to the accounts?

A. Yes.

Q. It was after 28.6.73 - after A.B.59 - which is the receipt, that you requested the Co. not to issue shares yet?

A. I cannot say whether before or after.

Q. The request not to issue shares was on an informal basis?

A. Yes. It was not in a Board meeting.

Q. It could well have been made over the telephone?

A. I cannot say.

Q. With which director?

A. I spoke to both, but not at the same time. I suggested that we should not issue shares and should wait and see what develops in K.L.

Q. Your intention was perhaps that something may go wrong, the land deal may not go through and the project may not start at all and therefore there was no need to issue shares forthwith?

A. Yes.

Q. There was no doubt at all that the payment of \$332,500 was for shares in the defd.Co.?

A. Yes.

Q. The directors did not take any legal advice?

A. I don't think so.

- Q. After the payment in of this money, defd. Co. was legally obliged to issue shares if you demanded the shares?
- A. I don't know how to answer you.
- Q. I suggest to you, that if the defd. Co. refused to issue the shares, you could sue the Co.?
- A. I don't know that. 10
- Q. Look at A.B.167, 169?
- A. Yes.
- Q. In July 1974, attempts were made to sell the land in K.L.?
- A. Yes.
- Q. Look at A.B.71 and A.B.73?
- A. Yes.
- Q. These relate to negotiations you had with Arthur Lipper?
- A. Yes. 20
- Q. You refunded I.C.B. and Arthur Lipper refunded A.L.I.?
- A. Yes.
- Q. Neither of you could speak on behalf of defd. Co. without the Board's approval?
- A. Yes.
- Q. It was also clear that in Dec. 1974 and Jan. 1975, defd. Co. had no liquid cash to refund \$332,500?
- A. I believe so. 30
- Q. So, if Lipper was agreeable to the refund, he would have to find the cash from someone else?
- A. I don't know from where.
- Q. Alternately, defd. Co. would have to raise a loan?
- A. Yes, or sell the land.
- Q. In Dec. 1974 or Jan.1975 would your bank give a loan?
- A. No. They had no security. 40
- Q. The main assets of the Co. were in K.L. - land and equipment?

P.W.1 Hwang Yen Kang
Xxd. (contd.)

In the High
Court of
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Notes of
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(continued)

- A. Yes.
- Q. Look at para.5 on page 99?
- A. Yes.
- Q. This resolution was passed to raise funds by the sale of the land?
- A. Yes.
- Q. Now, A.B.102, last para.?
- 10 A. Yes.
- Q. Look at 172 and 173?
- A. Yes.
- Q. Further attempts were made in June 1975?
- A. Yes.
- Q. Look at A.B.108?
- A. Yes.
- Q. A.B.113 is the first formal demand by pltf. Co. for refund of their money?
- A. I believe so.
- 20 Q. In A.B.85, as late as March 1975, the Secy. of the pltf. Co. assumes that he is entitled to share certificates?
- A. Yes.
- Q. Now, turn to A.B.121?
- A. Yes.
- Q. Did you see this letter?
- A. No.
- Q. Why was the land and equipment not sold during the last five years?
- 30 A. The directors and buyer cannot agree on the price.
- Q. You mean the offering price is low?
- A. Yes.
- Q. Lower than what defds. paid for it?
- A. I cannot remember now.

Re-exam.

A.B.50 and A.B.54 are minutes of meetings held on same day - 3.5.72. A.B.58 is not signed

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(continued)

P.W.1. Hwang Yen Kang
Re-exam. (contd.)

by me. I see A.B.66. These accounts were approved by the Board. I suggested that no shares be issued in my capacity as a shareholder. It was an informal discussion with Crafter and Lipper. They both agreed to hold back the shares. My bank does not lend money on a Malaysian security.

By me
Sgd. CHOOR SINGH

10

P.W.2 Ong Bee Kok, s/s

I live at 7 Jalan (Illegible) S'pore

Director of pltf. Co. Became a director on 26.1.76. I am also a director of defd. Co. Became a director in succession to P.W.1.

I see A.B.58. This letter was written by me. It is signed by me. The cheque referred to in the letter was enclosed in that letter. It was the pltf. Co.'s cheque. I did not deliver it personally. When I wrote this letter, I was instructed to do so by last witness.

20

I see A.B.138. I was present at this meeting. At this meeting, I made it known that I was against the resolution proposed but I was out-voted. No mention was made of allotting shares to Sinclair.

I see A.B.176. I was present at this meeting. I voted against the resolution but it was passed.

30

X-Examination

Q. When you became a director of defd. Co. the Co. was no longer undertaking new business?

A. As far as I know there was no new business.

No re-exam.

By me
Sgd. CHOOR SINGH

- Case for the pltfs. -

Chor Pee opens and calls:
D.W.1 William Henry Crafter, s/s.

I live at 33 Beverly Hai, S'pore.

Dy. Chairman of Pan Electric Selco Group of Companies. I became a director of defd. Co. in 1972. I was appointed as a nominee of Arthur Lipper International. I was also the Managing Director of A.L.I. Ltd. a HongKong Co. I ceased to have any connection with A.L.I. and defd. Co. in Jan. 1976.

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(continued)
William Henry Crafter

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In 1972, the defds.' business was investment banking. I was involved in the negotiations with Genting Bhd. re the ice rink venture. Dato Lim was representing Genting Bhd. These negotiations did not come to anything because they did not own the Chin Woo Stadium. Genting had bought equipment. We bought this equipment and looked for a suitable piece of land to carry on the project on our own. I was Managing Director of defd. Co. at that time. I was to look for the land with Carstairs who was then working for us. The other two directors were P.W.1. and Don Sinclair. They were aware of what we were doing. I communicated with them by memo, by phone and by meeting them. We were all located in a small area. I kept them informed as I was searching for the land. They were very helpful and the Co. was quite determined to get on with the project. I see A.B.55. I wrote it to inform the directors of the progress in my negotiations. A.B.56 is also by me. We had to come out with some money and the opinion was that it would have to be in the form of equity. I see A.B.65. I wrote this memo. It was decided that the money would be paid in as additional capital. I see A.B.58. I received this letter forwarding this cheque. I see Ex. D.2. The sum of \$332,500 is 47.5% of the additional capital of \$700,000/-. Before this cheque was received I don't remember P.W.1 asking us if the pltf. Co. could subscribe for this new capital. No objection was raised to pltf. Co.'s application for 332,500 shares. The decision to proceed with the ice skating rink was taken by all three directors - P.W.1, Sinclair and myself. The additional capital was for the ice skating project in K.L.

I don't remember his exact words but I do remember P.W.1's intention was that shares should not be issued until the project got going. No one objected to this suggestion. This was just a casual suggestion. No Board decision was taken

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15th July 1979
(continued)
William Henry Crafter

on it. The funds were simply paid into the Co's bank account. A.L.I. also made a similar contribution. The funds were in fact utilised for the K.L. project. No other discussion about refund at that time. The equipment was purchased by the defd. Co. and the land was bought by our subsidiary Malaysian Recreation Sdn. Bhd.

After the land was purchased we tried to get clarification as to the zoning of the land and if it was not zoned commercial, to get a conversion to commercial zoning. It dragged on and on without resolution. We became involved here with an ice skating project. Eventually the K.L. project was abandoned for all intents and purposes. By Dec. 1974 the project was definitely abandoned. 10

Around 1974, Mr. Lipper came to S'pore and entered into negotiations with I.C.B. who were disillusioned and wanted to get out of the defd. Co. 20

By end of 1974 the defd. Co. was not taking any new business.

I see A.B.75. In Jan. 1975 the Co. did not have cash to refund \$332,500/-.

I see A.B.98. I was present at this meeting. We were trying to raise some money to pay back to the pltf. Co. the additional capital. There were negotiations going on between I.C.B. and Lipper but in my view they were not entitled to a refund of the additional capital. 30

The object of the discussions was to find a solution - an amicable solution. There was no firm commitment by the defd. Co. to make a refund in Jan. 1975. If the pltf. had demanded the shares, the directors of the defd. Co. could not have refused to issue shares.

I see A.B.136. At this meeting it was resolved to issue shares. 40

I see A.B.121. It is written by me. I denied liability of the Co.

I see A.B.113. This was the first demand for refund of the additional capital.

D.W.L. William Henry Crafter

Xxd. by T.Q.Lim

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(continued)

X-Examination

Q. Did you send any reply to 113?

A. Yes, it is A.B.115.

Q. That is the only reply?

A. Yes.

Q. If the shares had been issued it would have been capital?

A. Yes.

10 Q. If shares not issued?

A. Share application account.

Q. Shares application account is an accounting concept?

A. Accounting practice in the books of the Co.

Q. When shares are issued, this account will be closed?

A. Yes.

Q. The amount standing to this account would then become share capital?

20 A. Yes.

Q. You were overall responsible for the maintenance of the account books?

A. Yes.

Q. And you were fully aware of the entries made therein?

A. Yes.

Q. The actual issue of the shares is an important step?

A. Yes.

30 Q. Till the shares are actually issued, the money must remain in a separate account?

A. The money is available for use but is accounted for in a separate account.

Q. Now, look at A.B.136 and 137?

A. Yes.

Q. These two pages contain minutes of Board meeting held on 25.11.75?

A. Yes.

Q. Top of page 137?

40 A. Yes.

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D.W.1 William Henry Crafter

Xxd. (contd.)

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Notes of
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(continued)

William Henry
Crafter
X-Examination

Q. The directors attempted to issue shares for the first time?

A. It was resolved to issue shares - it was resolved for the first time to issue shares to the pltf. Co.

Q. In your mind, this step to issue the shares was necessary to convert I.C.R. from an applicant for shares to a shareholder?

10

A. Yes.

Q. It is agreed between counsel on both sides that as a matter of law that resolution was ineffective to issue shares?

A. I am not aware of that.

Q. Do you know if the directors after this resolution took legal advice on that resolution?

A. I can't remember. It is so long ago.

Q. Please look at A.B.138 and 139?

20

A. Yes. It was resolved to hold an Ex G.M.

Q. Look at A.B.156 and 167?

A. Yes.

Q. You were not present at this meeting?

A. Yes.

Q. Are you aware of this resolution?

A. No. I left the Co. in Jan. 1976.

Q. Look at A.B.165?

A. Yes.

Q. Now, look at A.B.167?

30

A. Yes.

Q. This is your letter to the directors?

A. Yes.

Q. In July 1974 you were trying to sell the land or the shares in the Co. that owned the land?

A. Yes, one of the shareholders wanted his money - his loan money - Arthur Lipper wanted his loan money of \$700,000/-.

Q. You were aware that the pltf's. also wanted their money back?

40

D.W.1 William Henry Crafter
Xxd. (contd.)

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- A. Yes. The money was not there to pay back.
- Q. The plaintiffs were in fact asking for their application for shares to be cancelled and their money refunded?
- A. It amounted to that.
- Q. Look at A.B.95? There under "Advances from shareholders" you consider the pltfs.' \$332,500 as an advance?
- A. It represented share application money. You must look at the balance sheet at page 92.
- Q. You are talking of repayment to them?
- A. These notes are by the auditors.
- Q. There is a distinction between the \$332,500 and the \$734,762?
- A. Yes. There should be.

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Notes of
Evidence
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(continued)
William Henry
Crafter
X-Examination
(continued)

10

Re-exam.

A.L.I. had a much more burning desire to make the Co. work and was therefore prepared to lend money. Under the shareholders agreement (A.B.1) clause 3, the main shareholders were to provide money or loans in equal amounts. I can't say why this was not enforced. There is a difference between operating expenses and capital required for investment. The \$700,000 loan by A.L.I. was a demand loan without any security.

William Henry
Crafter
Re-Examination

20

By me

Sgd. CHOOR SINGH

30

- Adjd. to 18.7.79 at 10.30 a.m. -

Wednesday, 18th July 1979

Hearing resumed
Parties and counsel as before.

Arthur Lipper
Examination

D.W.2 Arthur Lipper, s/s

I live at 655 Third Ave, New York City, N.Y.
Investment Banker.

I am Chairman of Arthur Lipper International

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Singapore

D.W.2 Arthur Lipper
exn.-in-ch. (contd.)

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(continued)
Arthur Lipper
Examination-in-
-Chief
(continued)

Ltd. I am also Managing Director of defd. Co.

I see A.B.50. These minutes show second allotment of shares. From time to time I was also making loans to the defd. Co. They appeared as advances by a shareholder in the defds.' books. The outstanding balance due to me varied from time to time.

A.B.66 is balance sheet for 1974. The amount owing to A.L.I. - \$1,075,412 - includes loans and subscription money. 10

A B.92 is balance sheet for 1975. Amount due to A.L.I. was \$1,067,261 minus \$332,500/-.

A.B.146 is balance sheet as at 31.3.76.

The amount outstanding to A.L.I. is \$786,660 because 332,500 shares had been issued.

At present, amount due to A.L.I. is something over \$400,000. I sued the defd. Co. for over \$600,000 after the pltfs. started this action. I.C.B. did not lend any money to the defd. Co. because the relationship had deteriorated by the time the Co. acquired the land in K.L. and I.C.B. desired to get out of the Co. I lent money to defd. Co. because it was important to us that the defd. Co. should succeed and the monies were advanced for purposes of investment which we thought were sensible. 20

A.L.I. paid its subscription for 332,500 shares by a book entry - by reducing its loan account to that extent. 30

During April to June 1973 there was no mention at all that the subscription for 332,500 shares would be refunded if the K.L. project did not materialise. The subject was not discussed at all. A.L.I. knew what the funds would be used for. In 1973 the Co. did not have sufficient liquid cash to make a refund of the subscription for shares. The subscription money was not sufficient to pay for both the land and the equipment. The balance came from loans from A.L.I. 40

In July 1974 attempts were made to sell the land in K.L. A.B.167 speaks for itself. A.L.I. was pressing for the return of the loan

D.W.2 Arthur Lipper
xn.-in-ch. (contd.)

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money advanced by them. During July 1974 the
pltfs. did not demand the return of the
\$332,500. The earliest date I can recall of
when they asked for the return of their sub-
scription was in the last quarter of 1974.

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(continued)

10 During the middle of 1974 the I.C.B. was
undergoing a change of management. P.W.1 told
us of the desire of the new management to
disengage from the defd. Co. P.W.1 told us that
after the end of the year he would no longer be
the Managing Director. Starting with the end
of 1974 the relationship between I.C.B. and
A.L.I. became extremely negative.

Arthur Lipper
Examination-in-
-Chief
(continued)

In Jan. 1975 A.L.I. endeavoured to buy out
I.C.B.'s shares. I was negotiating on behalf
of A.L.I. Defd. Co. had no legal obligation to
return I.C.B.'s money.

20 A.L.I. does not expect to be fully repaid.
We expect payment when the land and equipment
in K.L. is sold. The land has been listed with
several land brokers. It has been constantly
advertised. I.C.B. claim they have made attempts
to sell it. There has been a concerted effort
to sell it right up to this morning. Even this
morning I was talking to people with a view to
sell it.

30 I produce bundle of correspondence (D.3)
showing efforts made to sell the land. It was
explained to me that there is a rumour that
Govt. intends to widen the waterway which has
at times flooded which is next to the land and
this rumour discourages intending purchasers.
To the best of my knowledge no offer has been
received.

I see A.B.176 and 177. The shares were
allotted on the same day - on 31.3.76.

40 A.L.I., has never demanded the return of
\$332,500 subscription money for 332,500 shares.

Xxd. by T.W. Lim

X-Examination

Q. Look at A.B.62?

A. Yes.

Q. Were you not aware of this offer?

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(continued)

Arthur Lipper
X-Examination

D.W.2 Arthur Lipper
Xxd (contd.)

- A. Yes. But I doubt the validity of that statement.
- Q. You were not a director when this Report was signed?
- A. Yes.
- Q. Crafter was the Director - as nominee of A.L.I.?
- A. Yes. 10
- Q. Would you say that the sale was not effected because of the price offered?
- A. No. There was no serious offer.
- Q. Did you personally negotiate?
- A. No. Nor did Crafter.
- Q. Have a look at A.B.2?
- A. Yes.
- Q. Defd. Co. was not yet incorporated when A.B.2 was signed?
- A. Yes. 20
- Q. Look at clause 3?
- A. Yes.
- Q. Loans and advances made by A.L.I. were to enable the Co. to make investments?
- A. Yes. Operations and investments.
- Q. The investments were for profit?
- A. Yes.
- Q. A.L.I. made an application for 332,500 shares?
- A. Yes. 30
- Q. Paid for them by transfer from their loan account?
- A. Yes.
- Q. It was a journal adjustment - a journal entry?
- A. Yes.
- Q. No payment in cash?
- A. That is correct.
- Q. There was no payment by Sinclair?
- A. It does not appear on A.B.153. 40

D.W.2 Arthur Lipper

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Singapore

Xxd. (contd.)

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(continued)
Arthur Lipper
X-Examination

Q. Sinclair did not make any application for the shares?

A. Yes.

Q. Were you in S'pore in April 1973/June 1973?

A. Probably for a few days - a day or two.

Q. Look at A.B.75?

10 A. Yes.

Q. You were present at this meeting?

A. Yes.

Q. You informed the Board that the offer of A.L.I. to buy up I.C.B.'s interests in the Co. had been accepted?

A. Yes.

No re-exam.

By me

Sgd. CHOOR SINGH

20 - Case for the defence -

Chor Pee addresses ct.

Gower - Company Law, pg.372 at pg.374:
"Agreement" We rely on conduct of the parties. A contract was made. There was an offer and there was an acceptance.

Private limited company. The circumstances which led to the formation of this Co. must be looked at. There is a shareholders agreement.

30 Lord Denning - The Discipline of the Law, pg.209. Extension to cover conduct, pg.210:
"If one party, by his conduct etc.....to do".
This principle applies to the facts of our case.

Intld. C.S.

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(continued)

T.Q.Lim:

Treitel on Law of Contract, 4th ed. 416.
No contract between pltf and defd unless
and until there is an actual acceptance
and notification of such acceptance.

In this case the application was withdrawn
before any allotment was validly made.

Alt. we say that the application lapsed
before any allotment was validly made.

Palmer - Company Law 22nd ed. vol.I
para.48-01, 48-02, 48-04, 48-05, 48-06.

10

In Dec. 1974 defd. Co. knew of the demand
for the return of the money. That was a
withdrawal of the offer to take shares in
the Co.

(1876) Ch.463

Expressly drawn on 5.7.75 (A.B.113)

Application lapsed by effusion of time.

Ramsgate ect. v. Montefiore (1866)
L.R. 1 Ex.109

20

Project finally abandoned in Dec. 1974, at
the latest by April 1975. Between Dec.
1974 and Mar.1976 did the application lapse?
More than an unreasonable lapse of time.

High Trees case - Treitel pg.77/80 at 77:
"In Equity".

15 Modern Law Review (1952) pg. 1

Treitel, pg.85.

There was no contract and therefore the
High Trees principle does not apply.

30

Defds. have from time to time since Dec.
1974 promised to return the money.

The allotment of shares was a complete
repudiation of the promise to return the
money.

The defence based on the High Trees principle
can never succeed on the facts of this case.

Intld. C.S.

Court:

I find for the defd. Co.

The claim of the pltf.Co. is dismissed with costs.

The counterclaim of the defd. Co. is allowed with costs and there will be an order in terms of prayer (1) of the Defence and Counterclaim to the effect that the pltf. Co. is a shareholder in the defd. Co. and holds 332,500 shares.

CHOOH SINGH

T.Q. Lim applies for stay of execution.

Application rejected.

CHOOH SINGH

Certified true copy.

No. 7

JUDGMENT OF CHOOH
SINGH J.

No.7
Judgment of
Choor Singh J.
30th August
1979

IN THE HIGH COURT IN SINGAPORE

Suit No. 1413 of 1976

Between

Industrial & Commercial Realty
Company Limited

Plaintiffs

And

Merchant Credit Private Limited

Defendants

Coram: Choor Singh J.

GROUNDS OF JUDGMENT

In this action the plaintiffs claimed from the defendants the refund of a sum of \$332,500 which the plaintiffs had paid to the defendants

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(continued)

for the purchase of shares in the defendant Company. It was alleged that the said shares were not issued within a reasonable time; that the application for the said shares had lapsed and that the plaintiffs were therefore entitled to a refund of the said purchase money.

The facts are not in dispute and they are these. Merchant Credit Private Limited the defendant Company (hereinafter referred to as MCPL) was formed pursuant to a Shareholders Agreement dated 28th March 1972 (A.B.1) made between :

10

1. Industrial & Commercial Bank Ltd.
(hereinafter referred to as ICB)
2. Arthur Lipper International Ltd.
(hereinafter referred to as ALI)
3. D.F.H. Sinclair
(hereinafter referred to as DFHS)

The Shareholders Agreement provided by Clause 2(A) that:

20

"all share capital shall be allocated in such manner that the parties will at all times hold the same in the following proportion :-

ICB	-	47.5%
ALI	-	47.5%
DFHS	-	5%

and the parties hereto undertake with each other that as and when required they shall subscribe for the capital of the Company in the proportions aforesaid."

30

The initial share capital of \$300,000 was issued in accordance with the proportion agreed to in the Shareholders Agreement.

After incorporation, MCPL participated in several business ventures.

In late 1972 and early 1973 MCPL's directors comprising Y.K.Hwang (nominee of ICB), W.H.Crafter (Nominee of ALI) and DFHS decided to invest in an ice skating project in Kuala Lumpur. It was agreed that land and equipment should be purchased in Kuala Lumpur amounting to about \$970,000.

40

In order to raise the necessary funds to pay towards purchase price of the said land and equipment the shareholders decided that each of the shareholders will subscribe further shares in the defendants in the following proportions :-

(i)	ALI	332,500 shares
(ii)	ICB	332,500 "
(iii)	D.F.H. Sinclair	35,500 "

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10 thus increasing the paid-up capital from \$300,000 to \$1 million.

It was further agreed that the capital so contributed would be credited to a Share Application Account in the defendants' accounting records.

ALI paid for its share and ICB caused ICR, its subsidiary to pay for its share, with the consent of the directors.

20 After the share application money was paid into MCPL's bank account, Y.K. Hwang requested a deferment in the actual issue of shares until the Kuala Lumpur project became "a going concern". The other directors did not object to this request.

Upon receipt of the said share application money, MCPL proceeded to make the Kuala Lumpur project investment and spent the capital expenditure in 1973.

30 For various reasons the Kuala Lumpur ice skating project could not be developed into a "going concern". By December 1974 the project was more or less abandoned.

Towards the end of 1974 ICB became disenchanted with the joint venture and wanted to get out of it as fast as possible.

40 ALI had initially advanced more moneys to MCPL than ICB to get the company going on its feet. By December 1974 and January 1975, ALI was trying to negotiate with ICB to take over its interest in MCPL by buying its shares and arranging for the return of all its investment at par. The negotiations were not successful, and nothing came out of them.

At an Extraordinary General Meeting of the Defendant Company held on 31st March 1976 the shareholders passed an ordinary resolution

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1979

(continued)

authorising the directors of the Company to allot 332,500 shares of \$1 each to the plaintiffs and the said shares were allotted to the plaintiff on 31st March 1976.

Thereafter, ICB through ICR demanded the refund of its "share application money" and when it was refused, ICR issued their Writ in these proceedings.

It was contended on behalf of the plaintiffs, that as the shares had not been allotted to the plaintiffs within a reasonable time, their application for the shares had lapsed and they were entitled to a refund of the share purchase money. I rejected this submission. 10

The contract to subscribe for the said shares was between ICB and the defendant Company. ICB were under a legal obligation to subscribe for 332,500 shares. They did so in the name of their wholly owned subsidiary the plaintiff Company. The plaintiff Company was merely a nominee of the ICB. The defendants agreed to accept the plaintiff company as a shareholder as nominee ICB and upon payment by the plaintiff Company of \$332,500 and the acceptance of that sum by the defendant Company there was a binding contract between the plaintiffs and the defendants that the defendants would issue to the plaintiffs 332,500 shares in the defendant company. Since it was the plaintiffs who had through their director Mr. Y.K.Hwang asked for the deferment of the allotment of shares, which was agreed to by the defendants, this constituted a binding variation of the contract. The plaintiffs were bound by that contract and were clearly not entitled to a refund of the amount they paid as subscription for the 332,500 shares. 20 30

There was a further submission that the sum of \$332,500 was given to the defendants as a loan to be used as capital in the ice skating project in Kuala Lumpur and that there was an express or implied term that if the project was successful the said loan would be discharged in consideration of the issue of shares to the plaintiffs and if the project was not successful, the loan would be repaid on demand or within a reasonable time. I rejected this submission. It is not supported by the evidence. There was no such agreement between the parties. 40 50

10 The plaintiffs knew very well, through their director Y.K.Hwang, that the share capital of \$332,500 which they were subscribing was to be used by the defendant Company for the purpose of the Kuala Lumpur ice skating project and that the project may or may not succeed. The defendants' only obligation in accepting the \$332,500 was to issue to the plaintiffs 332,500 shares in the defendant Company which they have done. The defendants have performed their contract. No company can ever accept share capital from a shareholder on the basis that if its project fails, the capital subscribed by the shareholder will be refunded. A shareholder has no right to demand from his company refund of the share capital which he has willingly subscribed. The share certificate was not issued to the plaintiffs within a reasonable time due to the express wish of the plaintiffs. It is they who did not want the share certificate to be issued forthwith. They expressly asked that the issue of the certificate be deferred until a later date and thereafter they never made a request for the issue of the share certificate.

In the High Court of Singapore
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30 Finally, the plaintiffs are by virtue of their conduct estopped from demanding the refund of the \$332,500 which they paid to the defendants as purchase money for 332,500 shares in the defendant Company. The doctrine of estoppel has been explained by Lord Denning in his book, The Discipline of the Law, at page 217 :

40 " Estoppel is not a rule of evidence. It is not a cause of action. It is a principle of justice and of equity. It comes to this: when a man, by his words or conduct, has led another to believe in a particular state of affairs, he will not be allowed to go back on it when it would be unjust or inequitable for him to do so. Dixon J. put it in these words: 'The principle upon which estoppel in pais is founded is that the law should not permit an unjust departure by a party from an assumption of fact which he has caused another party to adopt or accept for the purpose of their legal relations.' "

And at page 223 :

50 " It is a principle of justice and of equity. It comes to this: When a man, by his words or conduct, has led another to

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(continued)

believe that he may safely act on the faith of them - and the other does act on them - he will not be allowed to go back on what he has said or done when it would be unjust or inequitable for him to do so."

When the plaintiffs applied for 332,500 shares in the defendant Company and sent their cheque for \$332,500 to the defendant Company, they did so on the request of and as nominee of their parent Company I.C.B. As stated earlier, the plaintiffs knew through their director Y.K. Hwang that the \$332,500 was required as additional capital and was to be used to finance the purchase of land and equipment for the ice skating project in Kuala Lumpur. There was not only a clear understanding on the part of the plaintiffs that the new capital of \$332,500 which they were putting into the defendant Company would be expended on the ice skating project in Kuala Lumpur but also by implication an assurance on their part that it could be so used. The defendants acted on that assurance and accepted the money as share capital and expended it on the ice skating project in Kuala Lumpur. 10 20

The plaintiffs now wish to go back on that assurance. They wish to withdraw the capital which they injected into the defendant Company for financing the ice skating project in Kuala Lumpur. They wish to do so because the Kuala Lumpur project has failed. It would be totally unjust and inequitable to allow them to do so. 30

It was for these reasons that I dismissed the plaintiffs' claim and granted the defendants a declaration that the plaintiffs are shareholders in the defendant Company and hold 332,500 shares therein.

Dated this 30th day of August 1979

Certified true copy.

Sd: Choor Singh J.
J U D G E

No. 8
NOTICE OF APPEAL

In the Court
of Appeal of
Singapore

IN THE COURT OF APPEAL - SINGAPORE
NOTICE OF APPEAL TO COURT OF APPEAL
Civil Appeal No. 63 of 1979

No.8
Notice of
Appeal
13th August
1979

Between

Industrial & Commercial Realty
Company Limited Appellants

And

10 Merchant Credit Private
Limited Respondents

In the Matter of Suit No. 1413 of 1976

Between

Industrial & Commercial Realty
Company Limited Plaintiffs

And

Merchant Credit Private
Limited Defendants

NOTICE OF APPEAL

20 Take notice that Industrial & Commercial
Realty Company Limited being dissatisfied with
the decision of the Honourable Mr Justice Choer
Singh given at Court No.6 on the 18th day of July
1979 appeal to the Court of Appeal against the
whole of the said decision..

Dated the 13th day of August 1979

Sd. T.Q.Lim & Co.
Solicitors for the Appellants

30 To the Registrar, Supreme Court, Singapore
and to the abovenamed Respondents and their
solicitors Messrs. Chor Pee & Co., Singapore.

The address for service of the Appellants is
Suite (Illegible)

In the Court
of Appeal of
Singapore

No. 9

PETITION OF APPEAL

No.9
Petition of
Appeal

2nd October
1979

IN THE COURT OF APPEAL - SINGAPORE
NOTICE OF APPEAL TO COURT OF APPEAL
Civil Appeal No.63 of 1979

Between

Industrial & Commercial Realty
Company Limited Appellants

And

Merchant Credit Private
Limited Respondents

10

In the Matter of Suit No.1413 of 1976

Between

Industrial & Commercial Realty
Company Limited Plaintiffs

And

Merchant Credit Private
Limited Defendants

PETITION OF APPEAL

To the Honourable the Judges of the Court of
Appeal 20

1. The appeal arises from a claim by the
Appellants made in Suit No. 1413 of 1976 for
the return of \$332,500.- paid by the Appellants
to the Respondents pursuant to the Appellants'
application for shares in the Respondents and
for a declaration that the application had
lapsed or been withdrawn and that any purported
allotment of shares in the Respondents to the
Appellants is or will be null, void and of no
effect. 30

2. By Judgment dated the 18th day of July
1979, judgment was given for the Respondents
and the Appellants' claim was dismissed and it
was declared that the Appellants were shareholders
of the Respondents and held 332,500 shares.

3. Your Petitioners are dissatisfied with the said judgment on the following grounds :-

In the Court
of Appeal of
Singapore

(1) The learned Judge misdirected himself in fact and in law in holding (at page 6 letter B of the Grounds of Judgment) that "No company can ever accept share capital from a shareholder on the basis that if its project fails, the capital subscribed by the shareholder will be refunded." In that :-

No.9
Petition of
Appeal
2nd October
1979

(continued)

10 (a) The Appellants' application for shares
was made on the condition that if the
ice skating project failed shares were
not to be allotted and that the
application money was to be refunded,
and not the acceptance of capital paid
pursuant to a contract to become a
shareholder constituted by an offer
(the application for shares) and
20 acceptance of that offer (the allotment
of shares);

(b) The evidence of P.W.-1 Hwang Yen Kang
at page 4 letter D and page 13 letters
A to D and the evidence of DW-1
William Henry Crafter at page 19 letter
D clearly show that the said condition
attached to the application for shares
and so attached before the purported
allotment was made on 31 March 1976.

30 (2) The learned Judge erred in law and in fact
in holding (at page 4 letters C & D of the
Grounds of Judgment) that the demand for the
refund of the share application money was made
after 31 March 1976 (when the Respondents
purported to allot shares) in that :-

(a) The evidence of DW-1 at page 24 letter
B of the Notes of Evidence was that he
knew the Appellants wanted their money
back and their application for shares
to be cancelled in 1974.

40 (b) The minutes of the Board meetings of
the Respondents held on 7 January 1975,
at page 76 and on 10 April 1975 at
pages 98 and 99, the Appellants' letter
at page 113, the Appellants' solicitors'
letter at page 122, the Respondents'
solicitors' letter at pages 127 and 128
of the Agreed Bundle of Documents all
dated long before 31 March 1976 clearly
show and the learned Judge ought to have
50 found that the demand for the refund

In the Court
of Appeal of
Singapore

No.9

Petition of
Appeal

2nd October
1979

(continued)

of the share application money and
withdrawal of the application for
shares were made long before 31 March
1976.

(3) The learned Judge erred in law and in fact
in holding (at page 4 letter E of the Grounds
of Judgment) that "The contract to subscribe
for the said shares was between The Industrial
& Commercial Bank Limited and the defendant
company." In that :-

10

(a) the only contract relating to the
subscription of shares was the contract
between The Industrial & Commercial
Bank Limited, Arthur Lipper International
Limited and D.F.H. Sinclair at pages
1-7 of the Agreed Bundle of Documents,
a contract to which the Respondents
were not a party, pursuant to clause 2
of which the parties to the said
contract agreed to subscribe for
additional share capital of the Respon-
dents as is shown by the evidence;

20

(b) the Appellants' application for shares
at page 58 of the Agreed Bundle of
Documents was in law an offer by the
Appellants to subscribe for shares and
to become a shareholder of the Respon-
dents;

(c) the Appellants' said offer could not
become or lead to a contract until the
same was accepted by the Respondents
by the allotment of shares and the
acceptance was communicated to the
Appellants.

30

(d) until the Appellants' said offer was
accepted it could and was, on the
evidence as the learned Judge ought to
have found, withdrawn.

(e) alternatively the learned Judge ought
to have held that before the Respondents
purported to accept the Appellants said
offer, it had lapsed after the passage
of reasonable time, the ice skating
project having been abandoned by December
1974 according to the evidence of DW-1
at page 20 letter B of the Notes of
Evidence and the purported allotment of
shares by the Respondents having been
made only on 31 March 1976.

40

10 (4) Even if there had been a valid and enforceable contract between the Appellants and the Respondents to subscribe for shares (as to which there was no evidence) there was a variation of the said contract as so held by the learned Judge at page 5 letter B of the Grounds of Judgment, so that the allotment of shares was deferred. Subsequent to the said variation and prior to the purported allotment of shares on 31 March 1976 the Respondents agreed, as the learned Judge ought to have found on the evidence of the minutes of the board meetings at pages 76 and 99 and the Respondents' solicitors' letter at pages 127 and 128 of the Agreed Bundle of Documents, to return to the Appellants the share application money and consequently to rescind the said contract (if there was previously such a contract).

20 (5) The learned Judge misconceived the defence of equitable estoppel pleaded in paragraph 15 of the Defence and Counterclaim. If the said defence succeeded then, as claimed by the Respondents in its solicitors' letter at pages 127 and 128 of the Agreed Bundle of Documents, in the Defence and Counterclaim and also in the submission by Counsel on its behalf at the close of its case, the learned Judge ought to have held that the Appellants were not
30 entitled to demand the return of the share application money until after the sale of certain land and equipment and ought not to have declared that the Appellants were shareholders of the Respondents holding 332,500 shares.

(6) In any event the learned Judge ought to have rejected the said defence in that :

40 (a) on the evidence the only representation was that the share application money was to be used for the purchase of the said land, and not that the Appellants would not demand the return of the share application money until the said land had been sold;

50 (b) more than a reasonable time had elapsed since the said ice skating project had been abandoned by December 1974 and the action was only commenced after 31 March 1976 when the Respondents purported to allot the shares thereby evincing a clear intention no longer to be bound to

In the Court
of Appeal of
Singapore

No.9
Petition of
Appeal

2nd October
1979

(continued)

return the share application money
whether or not the said land or
equipment was sold.

4. Your Petitioners pray that such judgment
may be reversed.

Dated the 2nd day of October 1979

Sd: T.Q.Lim & Co.

Solicitors for the Appellants

No.10
Supplementary
Petition

23rd January
1980

No. 10

SUPPLEMENTARY PETITION

10

IN THE COURT OF APPEAL - SINGAPORE
NOTICE OF APPEAL TO COURT OF APPEAL
Civil Appeal No. 63 of 1979

Between

Industrial & Commercial Realty
Company Limited Appellants

And

Merchant Credit Private
Limited Respondents

In the Matter of Suit No.1413 of 1976 20

Between

Industrial & Commercial Realty
Company Limited Plaintiffs

And

Merchant Credit Private Limited Defendants

SUPPLEMENTARY PETITION OF APPEAL

TO THE HONOURABLE THE JUDGES OF THE COURT OF
APPEAL

The Supplementary Petition of the above-named Appellants Showeth that at the hearing of this appeal the Appellants will rely on the following additional grounds :

In the Court
of Appeal of
Singapore

No.10
Supplementary
Petition

23rd January
1980

(continued)

I/70 (1) As new sub-paragraph (c) in clause 3(1)
of the Petition -

(c) the proposition stated by the learned
Judge has no application prior to the
allotment and/or issue of shares, and
no such allotment or issue took place
on the failure or abandonment of the
Kuala Lumpur project or before 5th July
1975 or before 31st March 1976:
accordingly from some time later in 1974
the sum of \$332,500 became, under the
original agreement between the Appell-
ants and the Respondents moneys
advanced for the repayment of which the
Respondents became liable to the Appell-
ants

I/71 (2) As new sub-paragraph (c) in clause 3(2) of
the Petition -

(c) if there was a binding contract for the
issue of shares up to the time of and/or
up to a time shortly after the failure
or abandonment of the Kuala Lumpur
project, an agreement was made between
the Appellants and the Respondents in
substitution for or in variation of
that contract late in 1974 or early in
1975 and in any event before 31st March
1976 whereby it was agreed that the sum
of \$332,500 paid by the Appellants to
the Respondents on 26th June 1973 was
and/or would be treated as a loan or
advance for the repayment of which the
Respondents were liable to the Appellants.

I/73 (3) As new paragraph (4a) of clause 3 of the
Petition -

(4a) Even if there had been a valid and
enforceable contract between the Appell-
ants and the Respondents to subscribe
for shares subsisting at the end of
1974 there was a corresponding obligation
on the Respondents after 26th June 1973
and in any event after the failure or
abandonment of the Kuala Lumpur project
late in 1974 forthwith to allot and/or
issue such shares and the Respondents
by failing to collect and/or issue such

In the Court
of Appeal of
Singapore

No.10
Supplementary
Petition

23rd January
1980

(continued)

II/
108-109

shares prior to 5th June 1975 (and,
further, prior to 31st March 1976)
were in breach of that obligation and
the Appellants were entitled to treat
and did treat that breach as a repudia-
tion and were entitled to claim and
did claim repayments and did both those
things over the period December 1974
to July 1975 and specifically by letter
dated 5th June 1975.

10

Dated the 23rd day of January 1980

Sd: T.Q.Lim & Co.

Solicitors for the Appellants

No.11
Judgment of
Court of
Appeal

25th February
1980

No. 11

JUDGMENT OF COURT OF
APPEAL

IN THE COURT OF APPEAL - SINGAPORE
NOTICE OF APPEAL TO COURT OF APPEAL
Civil Appeal No.63 of 1979

Between

20

Industrial & Commercial Realty
Company Limited Appellants

And

Merchant Credit Private Limited Respondents

In the Matter of Suit No.1413 of 1976

Between

Industrial & Commercial Realty
Company Limited Plaintiffs

And

Merchant Credit Private Limited Defendants

30

J U D G M E N T

The 25th day of February 1980

In the Court
of Appeal of
Singapore

No.11
Judgment of
Court of
Appeal
25th February
1980
(continued)

10 Pursuant to the Order of Court dated the
25th day of February 1980 whereby it was ordered
upon the Appellants' appeal from the judgment
of the Honourable Mr Justice Choor Singh dated
the 18th day of July 1979, that the said appeal
be allowed and that the said judgment of the
Honourable Mr Justice Choor Singh dated the 18th
day of July 1979 be set aside and that the
20 Respondents pay the Appellants the sum of
\$332,500.- together with interest at the rate
of 12% per annum from the 28th day of June 1973
to the 25th day of February 1980 after allowing
for \$13,300.- paid before commencement of action
and that the Appellants' name be removed from
the Register of Members of the Respondent company
as the holders of 332,500 shares of the Respon-
dent company and the share certificate relating
to the said 332,500 shares be and the same is
hereby cancelled and that the Respondents do
pay the Appellants the costs of the Appeal and
of the action in the Court below to be taxed and
that the sum of \$500.- paid into Court as security
for the costs of this Appeal be paid out to the
Appellants' solicitors.

IT IS THIS DAY ADJUDGED that the judgment
of the Honourable Mr Justice Choor Singh dated
the 18th day of July 1979 be and the same is
hereby set aside.

30 AND IT IS FURTHER ADJUDGED that the
Respondents pay the Appellants the sum of
\$332,500.- and \$265,963.56 for interest at the
rate of 12% per annum from the 28th day of June
1973 to the 25th day of February 1980 after
allowing for \$13,300.- paid before commencement
of action.

40 AND IT IS FURTHER ADJUDGED that the
Respondents pay the Appellants the costs of the
Appeal and of the action in the Court below to
be taxed

AND IT IS ORDERED that the sum of \$500.-
paid into Court as security for the costs of
this Appeal be paid out to the Appellants'
solicitors.

Dated the 11th day of April 1980

Dy. Registrar

In the Court
of Appeal of
Singapore

No. 12

JUDGMENT OF THE COURT
OF APPEAL (WRITTEN)

No.12
Judgment of
the Court of
Appeal
(Written)

IN THE COURT OF APPEAL OF THE REPUBLIC OF
SINGAPORE

26th September 1980 Civil Appeal No. 63 of 1979

Between

Industrial & Commercial Realty
Company Limited Appellants

And

10

Merchant Credit Private
Limited Respondents

(In the Matter of Suit No.1413 of 1976)

Between

Industrial & Commercial Realty
Company Limited Plaintiffs

And

Merchant Credit Private
Limited Defendants

Coram: Wee C.J.
Sinnathuray, J
Chua, J

20

J U D G M E N T

The facts in this appeal were never in
dispute. They are these.

The appellant company, Industrial &
Commercial Realty Company Limited is a wholly
owned subsidiary of Industrial and Commercial
Bank (ICB). The respondent company, Merchant
Credit Private Limited was formed pursuant to
a Shareholders' Agreement (the Agreement) dated
28th March 1972. The three shareholders in the
Agreement were ICB, Arthur Lipper International
Limited (ALI), and D.F.H.Sinclair (Sinclair).
A material term in the Agreement was :

30

"all share capital shall be allocated in such manner that the parties will at all times hold the same in the following proportion :-

ICB	-	47.5%
ALI	-	47.5%
Sinclair	-	5%

10 and the parties hereto undertake with each other that as and when required they shall subscribe for the capital of the Company in the proportions aforesaid. "

The respondent company was incorporated on 7th of April 1972. The initial issued share capital was \$100,000. On 3rd of May 1972, the authorised capital was increased to \$1 million, and the issued share capital of \$300,000 was subscribed for by the three shareholders in the proportions aforesaid.

20 The directors of the respondent company were Y.K.Hwang (nominee of ICB) as Chairman, William H.Crafter (nominee of ALI) and Sinclair. From January 1975 Arthur Lipper III (Chairman of ALI) sat on the board of directors as an alternate to Crafter.

30 The respondent company was primarily engaged in merchant banking. It participated in some business ventures. In early 1973, the directors decided to invest in an ice-skating project in Kuala Lumpur. For that purpose, land and equipment were to be purchased, amounting to about \$1 million.

40 In order to raise the necessary funds, the shareholders at an Extraordinary General Meeting, on 20th of June 1973, resolved to increase the authorised share capital of the respondent company from \$1 million to \$2 million. At about that time, it was decided by the board of directors of the respondent company that the three shareholders would subscribe for further shares in the respondent company, that is to say ALI and ICB, each 332,500 shares and Sinclair, 35,500 shares, to increase the issued share capital to \$1 million. It was further agreed that the capital so contributed would be credited to a share application account in the books of the respondent company.

It was at this stage that the appellant company was to be involved with the respondent company. By a letter dated 28th of June 1973,

In the Court
of Appeal of
Singapore

No.12

Judgment of the
Court of Appeal
(Written)

26th September
1980

(continued)

In the Court
of Appeal of
Singapore

No.12

Judgment of
the Court of
Appeal
(Written)

26th September
1980

(continued)

the appellant company applied for 332,500 shares of \$1 each in the respondent company and sent a cheque for \$332,500. The respondent company on the same day acknowledged receipt of payment.

ALI also made its contribution of \$332,500. But Sinclair who ought to have contributed \$35,500 for his allocation of 35,500 shares never made the payment. He was at all material time in breach of the Shareholders' Agreement. 10

Next, for two years and nine months, no decision was taken by the board of directors to allot shares to the appellant company and ALI against the application monies in the share application account. Y.K.Hwang who gave evidence at the trial said :

" The issue of shares was deferred until the ice skating project proved to be a going concern. This was discussed and agreed to by all directors. If the project 20
did not prove to be a going concern I don't think the shares were to be issued. If for one reason or other, we could not proceed with this project the money was to be refunded. This was my suggestion. My co-directors agreed with it. "

For various reasons the project could not be developed into "a going concern". It was abandoned in December 1974.

On 7th of January 1975, at a board meeting 30
of the directors of the respondent company, a resolution was passed to repay the appellant company the sum of \$332,500 from a loan to be raised on the land in Kuala Lumpur.

The attempt to raise the loan was unsuccessful that at the board of directors meeting on 30th of April 1975 :

"... IT WAS RESOLVED that Mr. Crafter 40
continues his best efforts to dispose of the land and ice skating equipment in Kuala Lumpur as speedily as possible and that the proceeds from the sales of both land and equipment should be applied to the repayment of the funds due to The Industrial & Commercial Realty Co.Ltd. and Arthur Lipper International Ltd. presently held in the "share application account" of the Company. "

At that meeting, also -

In the Court
of Appeal of
Singapore

10 "... IT WAS RESOLVED that interest at the rate of twelve percent (12%) per annum be paid on the sum of \$332,500 received from The Industrial & Commercial Realty Co.Ltd. and on the sum of \$332,500 received from Arthur Lipper International Ltd. as application monies for additional shares in the Company and that such interest be paid as from 1st December 1974. "

No.12
Judgment of
the Court of
Appeal
(Written)
26th September
1980

(continued)

Following on that decision, the respondent company paid the appellant company a sum of \$13,300 being interest on \$332,500 at 12% per annum for the period 1st of December 1974 to 31st of March 1975, the end of the financial year of the respondent company.

20 We now want to say a few words on the accounts of the respondent company for the years ended 31st March 1974 and 1975 to see how the respondent company showed in its accounts the monies of the appellant company and ALI in the share application account. The balance sheets in the said accounts show under "current liabilities" the appellant company and ALI as creditors of the respondent company. In the 1975 accounts there is a note to the item "current liabilities" which states :

"ADVANCES FROM SHAREHOLDERS

30 Both Shareholders have advanced monies totalling \$665,000 and it may be necessary to sell certain assets to repay them... "

40 On 5th of July 1975 the appellant company requested for the refund of its \$332,500 together with interest at the rate of 12% from the date of payment to the date of settlement. On 26th of August 1975 its solicitors demanded the repayment. On 9th of October 1975 the respondent company through its solicitors, for the first time took the stand that the funds in the share application account "were intended for the Share Capital of the Company, and not simply as an ordinary loan repayment on demand".

It was only when the appellant company threatened to take legal proceedings against the respondent company vide the letter of their solicitors dated 28th of October 1975, that the directors of the respondent company met on the 25th of November 1975 and -

In the Court
of Appeal of
Singapore

No.12

Judgment of
the Court of
Appeal
(Written)

26th September
1980

(continued)

" Mr. Sinclair proposed, and Mr. Crafter seconded, the motion that the shares paid for in June 1973 be issued to both Arthur Lipper International Limited and Industrial & Commercial Realty Company Ltd., 332,500 shares to each. All previous resolutions referring to the share application account repayment plans to be revoked. The proposal was carried with Mr. Sinclair and Mr. Crafter voting for the motion and Mr. Ong voting against."

10

That it was Sinclair who should make the aforesaid proposal is surprising for as we have noted it was he who was in breach of his undertaking to subscribe for his allocation of 35,500 shares.

Be that as it may, finally, at an Extraordinary General Meeting of the respondent company on 31st of March 1976, the shareholders passed an ordinary resolution authorising the directors to allot 332,500 shares of \$1 each to the appellant company (and to ALI) and the shares were allotted on the same day. Three days later, on 3rd of April 1976, the appellant company commenced these proceedings.

20

On these facts, it was submitted for the appellant company that the learned trial Judge had erred in law and in fact in holding that:

" There was a binding contract between the plaintiffs and the defendants that the defendants would issue to the plaintiffs 332,500 shares in the defendant company ... The plaintiffs were bound by that contract and were clearly not entitled to a refund of the amount they paid as subscription for the 332,500 shares. "

30

At the conclusion of the hearing, we allowed the appeal and gave judgment for the appellant company. We ordered the respondent company to return to the appellant company the sum of \$332,500 together with interest on that sum at the rate of 12% per annum from 28th of June 1973 until the payment of it save insofar as interest has been paid as aforesaid. We now give our reasons for our decision.

40

In giving our decision we were firmly of the view that the proper inference to be drawn from the undisputed facts was that the respondent company had treated the monies of the appellant company (and of ALI) in the share application

50

account as a loan to the respondent company. We accept that when the appellant company in June 1973 applied for 332,500 shares in the respondent company, it was agreed upon by the directors that the shareholders would subscribe for further shares in the respondent company, to increase the issued share capital of the respondent company to \$1 million. But no shares were issued to the appellant company (or to ALI). Y.K.Hwang explained that no allotment was to be made unless the ice-skating project was a going concern, and that the directors were agreed that if for any reason the project was not proceeded with, the money was to be refunded. Indeed, after the project was abandoned the respondent company accepted the position, it accepted the liability to repay to the respondent company the sum of \$332,500. On these facts, in our judgment, the respondent company cannot be allowed to contend that it was legally entitled in March 1976 to issue to the appellant company 332,500 shares. As a matter of law, the right of the respondent company to issue shares to the appellant company, if in fact there was a right, failed because the respondent company had as early as January 1975 waived its right, and the appellant company was entitled to repudiate the contract, if ever there was one, and claim the refund of \$332,500 together with interest at 12% from the date of payment to the date of settlement.

Moreover, the question arises whether in the circumstances of the case, the respondent company having, for over a year, treated the monies of the appellant company (and of ALI) as a loan, that it is just and equitable to allow the respondent company in March 1976, months after the appellant company had demanded repayment, to issue shares to the appellant company. The answer is in the dictum of Lord Cairns L.C. in *Hughes v Metropolitan Railway Company* (1877) 2 A.C. 439 at 448. He said :

"....[I]f parties who have entered into definite and distinct terms involving certain legal results - certain penalties or legal forfeiture - afterwards by their own act or with their own consent enter upon a course of negotiation which has the effect of leading one of the parties to suppose that the strict rights arising under the contract will not be enforced, or will be kept in suspense, or held in abeyance, the person who otherwise might have enforced those rights will not be

In the Court
of Appeal of
Singapore

No.12

Judgment of
the Court of
Appeal
(Written)

26th September
1980

(continued)

In the Court
of Appeal of
Singapore

No.12

Judgment of
the Court of
Appeal
(Written)

26th September
1980

(continued)

"allowed to enforce them where it would
be inequitable having regard to the
dealings which have thus taken place between
the parties. "

The dictum was applied recently in Brikom
Investments Ltd. v Carr (1979) 2 All E.R., C.A.
753 at 764 where Roskill L.J., having cited
the passage of Lord Cairns referred to above,
said :

" For my own part, I would respectfully
prefer to regard that as an illustration of
contractual variation of strict contractual
rights. But it could equally well be put
as an illustration of equity relieving from
the consequences of strict adherence to the
letter of the lease. "

10

But, whichever is the right way of putting
it, ever since Hughes v Metropolitan Railway
Co., through a long line of cases of which
there are many examples in the books, one
finds that where parties have made a
contract which provides one thing and where,
by a subsequent course of dealing, the
parties have worked that contract out in
such a way that one party leads the other
to believe that the strict rights under that
contract will not be adhered to, the courts
will not allow that party who has led the
other to think the strict rights will not
be adhered, suddenly to seek to enforce
those strict rights against him. "

20

30

That is what the respondent company claimed
against the appellant company in the counter-
claim - a declaration that the appellant company
is a shareholder of the respondent company and
holds 332,500 shares. So then, for the reasons
we have given, on the undisputed facts, both in
law and in equity, the appellant company is
entitled to its refund, and the respondent
company's counterclaim must accordingly fail.

40

Certified true copy.

CHIEF JUSTICE

Sgd. T.S.Sinnathuray

JUDGE

SINGAPORE,
26th September, 1980

JUDGE

No. 13

ORDER GRANTING LEAVE TO
APPEAL TO THE JUDICIAL
COMMITTEE OF THE PRIVY
COUNCIL

In the Court
of Appeal of
Singapore

No.13
Order Granting
Leave to
Appeal to the
Judicial
Committee of
the Privy
Council

7th July 1980

IN THE COURT OF APPEAL OF THE REPUBLIC OF
SINGAPORE

Civil Appeal No.63 of 1979

Between

10 INDUSTRIAL & COMMERCIAL REALTY
COMPANY LIMITED Appellants

And

MERCHANT CREDIT PRIVATE LIMITED Respondents

In the Matter of Suit No. 1413 of 1973

Between

INDUSTRIAL & COMMERCIAL REALTY
COMPANY LIMITED Plaintiffs

And

MERCHANT CREDIT PRIVATE LIMITED Defendants

20 ORDER OF COURT

THE HONOURABLE THE CHIEF JUSTICE
THE HONOURABLE MR JUSTICE KULASEKARAM
THE HONOURABLE MR JUSTICE A.P. RAJAH

IN OPEN COURT

30 UPON MOTION made unto this Court this day
by Mrs. Helen Yeo of Counsel for the abovenamed
Respondents AND UPON READING the Motion Paper,
Notice of Motion and the Affidavit of Mrs. Helen
Yeo filed on the 23rd day of May 1980 AND UPON
HEARING Counsel for the said Respondents and
Counsel for the Appellants IT IS ORDERED that:-

1. The Respondents be at liberty under Section 3(1)(a) of the Judicial Committee Act (Cap 8) to appeal to the Judicial Committee of Her Britannic Majesty's Privy Council against the whole of the Judgment of the

In the Court
of Appeal of
Singapore

No.13
Order Granting
Leave to
Appeal to the
Judicial
Committee of
the Privy
Council

7th July 1980
(continued)

Court of Appeal delivered at Singapore
on the 25th day of February 1980.

2. The Respondents do furnish security for \$15,000.00 in such manner satisfactory to the Registrar in addition to the sum of \$3,000.00 required under the Rules of the Supreme Court.
3. Execution on the said Judgment be stayed pending determination of the said appeal or until further order.
4. The parties be at liberty to apply.
5. The costs of this application be costs in the appeal.

10

Dated the 7th day of July 1980.

ASSISTANT REGISTRAR

EXHIBITS

AB1

SHAREHOLDERS AGREEMENT BETWEEN
INDUSTRIAL & COMMERCIAL BANK LTD.
ARTHUR LIPPER INTERNATIONAL LTD.
AND D.F.H. SINCLAIR ESQ.

EXHIBITS

AB1

Shareholders
Agreement
between,
Industrial &
Commercial Bank
Ltd., Arthur
Lipper Inter-
national Ltd.
and D.F.H.
Sinclair Esq.
28th March 1972

10

THIS AGREEMENT is made the 28th day
of March One thousand nine hundred and
seventy-two (1972) Between THE INDUSTRIAL
& COMMERCIAL BANK LIMITED a company
incorporated in Singapore and having its
office at 2, Shenton Way Singapore (herein-
after called "ICB") of the first part,
ARTHUR LIPPER INTERNATIONAL LIMITED a
company incorporated in the Colony of Hong
Kong and having a branch office at 2, Shenton
Way Singapore (hereinafter called "ALI") of
the second part and DONALD FRANK HARVEY
SINCLAIR Director of Fraser & Company
Private of Maritime Building, Collyer Quay
Singapore (hereinafter called "DFHS") of
the third part

20

WHEREAS the parties hereto intend to
form a company in Singapore to be known as
"MERCHANT CREDIT PRIVATE LIMITED" or such
other name as may be mutually agreed upon
and the Registrar of Companies will approve
for the primary purpose of merchant banking

30

AND WHEREAS it is now agreed to enter
into this Shareholder Agreement on the terms
and conditions hereinafter appearing.

NOW THEREFORE IT IS HEREBY AGREED as
follows :-

40

Formation of Company 1. The parties hereto shall with all
reasonable dispatch use their best endeavours
to procure the formation in Singapore of a
private limited company to be known as
"MERCHANT CREDIT PRIVATE LIMITED" (herein-
after referred to as "the Company") with an
authorised capital of \$100,000/- divided
into 100,000 shares of \$1/- each and having
as its primary objects the carrying on of
the business of merchant banking, under-
writers, financiers and ancillary purposes

Issued
Capital

2. (A) The issued share capital of the
Company shall be subscribed for by the
parties hereto at such times and in such

EXHIBITS

AB1

Shareholders Agreement between, Industrial & Commercial Bank Ltd., Arthur Lipper International Ltd. and D.F.H. Sinclair Esq.

28th March 1972

(continued)

amounts and at such prices as the Directors of the Company shall from time to time require but all share capital shall be allocated in such manner that the parties will at all times hold the same in the following proportion :-

ICB ...	47.5%
ALI ...	47.5%
DFHS ...	5%

and the parties hereto undertake with each other that as and when required they shall subscribe for the capital of the Company in the proportions aforesaid. 10

(B) The initial issued capital shall be the sum of \$100,000/- of which \$47,500/- shall be subscribed for by ICB, \$47,500/- by ALI and \$5,000/- by DFHS.

Loan facilities 3. Upon being so required by the Board of Directors of the Company ICB and ALI shall advance to the Company by way of loan in equal shares and proportions all monies that shall be required from time to time by the Company for its operating expenses. All such advances shall be at an interest rate 2% in excess of the prevailing Singapore rate as determined by ICB but otherwise shall be on such terms and conditions as shall be mutually agreed upon. 20

Directors 4. (A) So long as ICB is a member of the Company it shall be at liberty to appoint two (2) nominees to serve as Directors on the Board of Directors and so long as ALI is a member it shall likewise be at liberty to appoint two (2) nominees to the Board and so long as DFHS is a member he shall be entitled to serve on the Board or appoint a nominee to serve in his place. 30

(B) The appointment of a Director shall be effected by notice in writing given to the Company signed by ICB, ALI or DFHS as the case may be and ICB, ALI or DFHS may remove any of their nominees and appoint any person or persons to fill the vacancy or vacancies likewise to fill any vacancy caused by the death retirement bankruptcy lunacy or otherwise of any directors so nominated by them. The removal of a director shall be effected by notice given to the Company signed by ICB, ALI or DFHS 40 50

as the case may be.

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Ltd., Arthur
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national Ltd.
and D.F.H.
Sinclair Esq.

28th March 1972

(continued)

Memoran- 5. The Memorandum and Articles of
dum and Association of the Company shall be in
Articles accordance with the form and context
of Asso- annexed hereto in the First Schedule
ciation hereto.

Trans- 6. Notwithstanding the Articles of
fer of Association it is hereby agreed as
Shares follows :-

10 (a) No shares shall be transferred either
by way of sale, pledge, assignment
or otherwise except in accordance with
the terms and conditions hereinafter
following :-

20 (i) If a party to this Agreement
receives a bona fide written offer
from a responsible offeror
(including another party hereto)
to purchase on terms which are
underwritten by a Singapore bank
(hereinafter called "terms") any
of his shares in the Company
(herein called "Offer") which Offer
such party desires to accept (such
party herein called "the Seller")
the Seller shall notify the other
parties hereto (herein called "the
Optionees") by sending them a copy
of the Offer. The Optionees shall
30 have the option to purchase the
offered shares in the same terms
specified in the Offer within a
period of forty-five (45) days
following the receipt of the copy
of the Offer. In case the
Optionees exercise their options
in respect to an aggregate number
of shares which exceed the number
of shares offered by the Seller,
40 then such options shall be exercis-
able as between the Optionees in
the same proportions as the number
of shares in the Company held by
them are to each other, on the date
of the dispatch of the copy of the
Offer. A bid by the Optionees for
less than the total number of
shares offered by the Seller shall
not constitute an exercise of the
50 option under this clause.

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28th March 1972

(continued)

- (ii) If the offered shares are not purchased by the Optionees pursuant to the exercise of their options, the Seller may then sell and transfer the shares pursuant to and in accordance with the terms and conditions of such Offer within a period of thirty (30) days after the day on which the options provided herein expire. Shares sold and transferred pursuant to this Section shall be owned and held by the transferee free from the restrictions and provisions of this Agreement unless such transferee is or becomes a party hereto. 10
- (iii) The certificates representing shares of the Company held by the parties hereto shall bear a legend as follows :- 20
- "Transferability of the shares represented by the within certificate is restricted in accordance with the terms and provisions of an agreement dated 28th March 1972 among the ICB, ALI and DFHS a copy of which is available for inspection at the office of The Industrial and Commercial Bank at 2, Shenton Way Singapore." 30
- (iv) The parties shall extend the right of first refusal as provided for herein to any new shareholder admitted to the Company holding at least two per cent (2%) of the outstanding shares of the Company at the time of becoming a shareholder if such shareholder agrees to be bound by the provision of this paragraph 6(a) 40
- (b) Any shareholder (hereinafter called "the Transferor") holding more than forty per cent (40%) of the issued share capital of the Company may at any time within forty-five (45) days of the issue of the annual audited profit and loss account and balance sheet of the Company give to another holder (hereinafter called "the Transferee") of not less than forty 50

per cent (40%) of the issued share capital of the Company Notice of an offer to sell all of his share holding in the Company and the notice shall designate a price and terms at which the Transferor is willing to sell his share holding to the Transferee and the said price and terms contained in a notice shall also be deemed to be the price and terms at which he is prepared to purchase the whole shareholding of the Transferee. Upon receipt of any such Notice the Transferee shall within thirty (30) days either agree to purchase the shares so offered to him or shall agree to sell his shares to the Transferor at the price and terms designated in the Notice and the sale and transfer of the shares shall be completed within sixty (60) days of such agreement. In the event of the Transferee failing to agree to accept the offer to purchase the shares of the Transferor or alternatively to sell his own shares to the Transferor in accordance with the terms herein mentioned, the Transferee shall upon the expiry of thirty (30) days notice herein mentioned be deemed to have agreed and shall be bound to purchase the shares of the Transferor at the price and terms designated in the Notice.

EXHIBITS

AB1

Shareholders Agreement between, Industrial & Commercial Bank Ltd., Arthur Lipper International Ltd. and D.F.H. Sinclair Esq.

28th March 1972

(continued)

Management Agreement 7. Upon the incorporation of the Company the parties hereto shall require the Company to enter into a Management Agreement with ALI in the form and context annexed in the Second Schedule hereto.

40 Binding upon successors 8. This Agreement shall be binding upon the successors and assigns of the parties hereto but no party shall make any assignment of its shares in the Company inconsistent with the provisions hereof.

50 Notices 9. Any notice required or contemplated by this Agreement may be served by delivering same to the parties at the addresses above stated or may be sent to the addresses above stated by registered post and if sent by post service shall be deemed to be effected forty-eight (48) hours after posting Provided Always that either party may furnish to the other party a notice in writing of any other address to which he

EXHIBITS

AB1

Shareholders Agreement between, Industrial & Commercial Bank Ltd., Arthur Lipper International Ltd. and D.F.H. Sinclair Esq.
28th March 1972
(continued)

requires notices to be sent and in such event notices may be sent to the address so notified.

10. In the event that any party ceases to be a shareholder of the Company this Agreement shall cease to apply to that party but shall continue in force in so far as the other parties hereto are concerned so long as such other parties are shareholders of the Company.

10

11. This Agreement shall be governed and construed and determined in accordance with the laws of the Republic of Singapore.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands the day and year first above written.

SIGNED by
for and on behalf of
THE INDUSTRIAL &
COMMERCIAL BANK
LIMITED in the
presence of :-

Sd. Y.Hwang

20

Sd. H.F.Sheppard
H.F.SHEPPARD
Advocate & Solicitor
Singapore.

SIGNED by
for and on behalf of
ARTHUR LIPPER INTER-
NATIONAL LIMITED in
the presence of :-

Sd. Arthur Lipper
Chairman

30

Sd. H.F.Sheppard
H.F.SHEPPARD
Advocate & Solicitor
Singapore.

SIGNED by the said
DONALD FRANK HARVEY
SINCLAIR in the
presence of :-

Sd. D.F.H.Sinclair

40

Sd. H.F.Sheppard
H.F.SHEPPARD
Advocate & Solicitor
Singapore.

No. of Company

EXHIBITS

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Shareholders
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between
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Sinclair Esq.

28th March 1972

(continued)

THE COMPANIES ACT, (CAP.185, 1970 Ed.)

COMPANY LIMITED BY SHARES

M E M O R A N D U M

and

ARTICLES OF ASSOCIATION

of

(A Private Company)

Incorporated on the day of 19

DREW & NAPIER,
Solicitors,
30/35 Chartered Bank Chambers,
Singapore
Tel: 982633

Lodged in the office of the Registrar
of Companies, Singapore.

EXHIBITS

FORM 9

ABI
Shareholders
Agreement
between
Industrial &
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Ltd., Arthur
Lipper Inter-
national Ltd.
and D.F.H.
Sinclair Esq.
28th March 1972
(continued)

The Companies Act (Cap.185, 1970 Ed.)

No. of Company _____ Section 16(4)

CERTIFICATE OF INCORPORATION
OF PRIVATE COMPANY

This is to certify that

is, on and from the.....day of.....19...
incorporated under the Companies Act (Cap.185,
1970 Ed.) and that the company is a company
limited by shares and that the company is a
private company.

10

Given under my hand and seal, at Singapore
this.....day of.....19...

Registrar of Companies
Singapore.

SEAL

I N D E X

CERTIFICATE OF INCORPORATION	
MEMORANDUM OF ASSOCIATION	20
ARTICLES OF ASSOCIATION	
Table 'A' excluded	
Interpretation	
Shares	
Lien	
Calls on Shares	
Transfer of Shares	
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Forfeiture of Shares	
Conversion of Shares into Stock ..	30

EXHIBITS

	Alterations of Capital	AB1
	Increase of Capital	Shareholders Agreement between Industrial & Commercial Bank Ltd., Arthur Lipper International Ltd. and D.F.H. Sinclair Esq.
	Modification of Class Rights ...	
	General Meetings	
	Proceedings at General Meetings	
	Votes of Members	
	Directors	
	Powers and Duties of Directors	
	Proceedings of Directors	28th March 1972
10	The Seal	(continued)
	Dividends and Reserve Fund ...	
	Capitalisation of Reserves, etc.	
	Accounts	
	Audit	
	Notices	
	Winding Up	
	Indemnity	

THE COMPANIES ACT (Cap.185,1970 Ed.)

COMPANY LIMITED BY SHARES

20 MEMORANDUM OF ASSOCIATION
of

-
1. The name of the Company is
 2. The registered office of the Company will be situate in the Republic of Singapore.
 3. The objects for which the Company is established are :-
 - (A) To carry on the business of merchant banking and all matters ancilliary thereto.

EXHIBITS

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Shareholders
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28th March 1972

(continued)

- (B) To carry on all or any of the following businesses namely, those of merchants and traders, commission agents, ship owners, underwriters and sureties, financiers, promoters and concessionaires.
- (C) To negotiate loans, and to issue on commission or otherwise, underwrite, guarantee, subscribe for, take, acquire and hold, sell, exchange and deal in, and give any guarantee in respect of and as registrars of any stocks, shares, bonds, funds, obligations or securities of any government, municipal or other public authority or any corporation, company or association. 10
- (D) To establish, promote and aid in the establishment and promotion of companies, syndicates, partnerships and associations of all kinds for the carrying out of undertakings, works, projects or enterprises of any description and whether of a public or private character, and generally to assist governments or authorities, provincial, municipal, local or otherwise, or other bodies, politic or corporate, or companies, partnerships, associations or individuals with capital, credit or other resources for the carrying out of their undertakings, works, projects or enterprises. 20 30
- (E) To purchase, subscribe for or otherwise acquire and hold shares, stocks, debentures debenture stocks, bonds, obligations, and securities issued or guaranteed by any company whether constituted or carrying on business in Singapore or elsewhere, and debentures, debenture stock, bonds, obligations and securities issued or guaranteed by any government, sovereign ruler, commissioners, public body or authority, supreme, municipal, local or otherwise, whether at home or abroad. 40
- (F) To acquire any such shares, stocks, debentures, debenture stock, obligations or securities by original subscription, tender, purchase, exchange or otherwise either for cash or a consideration other than cash and to subscribe for the same, either conditionally or otherwise and to underwrite, sub-underwrite or guarantee the subscription thereof in any manner and to exercise and enforce all or any of the 50

rights and powers conferred by or incident to the ownership thereof.

EXHIBITS

AB1

10 (G) To issue debentures, debenture stocks, bonds, obligations, and securities of all kinds, and to frame, constitute and secure the same, as may seem expedient, with full power to make the same transferable by delivery, or by instrument of transfer or otherwise, and either perpetual or terminable, and either redeemable or otherwise, and to charge or secure the same by trust, deed, or otherwise, on the undertaking of the Company, or upon any specific property and rights, present and future, of the Company (including, if thought fit, uncalled capital), or otherwise howsoever.

Shareholders Agreement between, Industrial & Commercial Bank Ltd., Arthur Lipper International Ltd. and D.F.H. Sinclair Esq. 28th March 1972

(continued)

20 (H) To facilitate and encourage the creation, issue, or conversion of debentures, debenture stocks, bonds obligations, shares, stocks, and securities, and to act as trustees in connection with any such securities, and to take part in the conversion of business concerns and undertakings into companies.

30 (I) To take part in the formation, management, supervision, or control of the business or operations of any company or undertaking, and for that purpose to appoint and remunerate any directors, accountants, or other experts or agents.

40 (J) To constitute any trusts with a view to the issue of preferred and deferred or any other special stocks or securities based on, or representing any shares, stocks or other assets, specifically appropriated for the purpose of any such trust, and to settle and regulate, and if thought fit to undertake and execute any such trusts, and to issue, dispose of, or hold any such preferred, deferred, or other special stocks or securities.

50 (JA) To carry on the business of an investment company, trust fund, mutual funds, provident fund, superannuation fund and portfolio managers and advisers and where necessary or expedient for that purpose to acquire and hold either in the name of the company or in that of any nominee shares, stocks, debentures, debenture stock, bonds, notes, obligations, options, futures and securities

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Shareholders
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between,
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28th March 1972

(continued)

- issued or guaranteed by any company wherever incorporated or carrying on business and debentures, debenture stock, bonds, notes, obligations, options, futures and securities issued or guaranteed by any government, sovereign ruler, commissioners, public body or authority, supreme, dependent, municipal, local or otherwise in any part of the world.
- (K) To advance money to any person or persons or corporation, either at interest or without, upon the security of freehold or leasehold property or property of any other tenure or kind whatsoever by way of mortgage, or upon any marketable security, and in particular to advance money upon the security of or for the purpose of enabling the person, persons, or corporation borrowing the same to erect, or purchase, or enlarge or repair any house or building, upon such terms and conditions as the Company may think fit. 10 20
- (L) To undertake or direct the management of the property, buildings, lands and estates (of any tenure or kind) of any person, persons or corporation in the capacity of stewards, receivers or otherwise.
- (M) To purchase and sell for any person, persons or corporation freehold or other house property, buildings or lands, or any share or shares interest or interests therein, and to transact on commission or otherwise the general business of a land agent. 30
- (N) To accept deposits of money on loan at interest or without interest and to carry on the business of capitalists, financiers and concessionaires, and to undertake, carry on and execute all kinds of financial, commercial, trading and other similar operations. 40
- (O) To establish or acquire and carry on offices factories stores and depots and to apply for acquire and hold any barthers privileges monopolies licences patents or other rights or powers from any Government.
- (P) To carry on all or any of the branches of the businesses of general merchants, agents, brokers, factors, shippers, importers and exporters, general storekeepers, wholesale 50

and retail traders, ship chandlers, ship or aircraft owners, ship builders, ship or aircraft charterers, ship and shipping or air transport agents, carriers by sea, land and air, commission agents, manufacturers, manufacturers' representatives and distributors, estate and property agents, warehousemen, lightermen, stevedores, contractors, builders, guarantors, wharf and dock owners or lessees, owners or lessees of railways, airfields and tramways, owners of mining, planting and other properties wherever situate, owners or lessees of craft, plant and appliances, planters, miners, metallurgists, quarry owners, brickmakers, wool washers, tallow melters, tanners, artificial fertilizer makers, coopers, carpenters, engineers, buyers, sellers and dealers in produce of all kinds, metals, timber and all kinds of machinery, engines, plant, tools, goods, ware and merchandise.

EXHIBITS

AB1

Shareholders Agreement between, Industrial & Commercial Bank Ltd., Arthur Lipper International Ltd. and D.F.H. Sinclair Esq.

28th March 1972

(continued)

(Q) To construct, equip, improve, alter, maintain, work manage carry out or control docks, wharves, piers, railways, tramways, air ports, water-courses, hydraulic works, telephones, gasworks, electric works, factories, warehouses and other buildings works and conveniences which may seem calculated directly or indirectly to advance the Company's interests and to contribute to subsidise or otherwise assist or take part in the construction, equipment, improvement, maintenance, working, management, carrying out or control thereof and to take any lease and enter into any working agreement in respect thereof.

(R) To purchase, take on lease or in exchange, hire or otherwise acquire any real or personal property, patents, licences, rights or privileges which the Company may think necessary or convenient for the purposes of its business, and to construct, maintain and alter any buildings or works necessary or convenient for the purposes of the Company.

(S) To act as agents for the issue of any loan by and to issue and place any stocks, bonds, shares, or securities of any sovereign state or authorities, supreme, local or otherwise, and to transact all kinds of agency business, and in particular

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28th March 1972
(continued)

- to collect debts and negotiate loans and generally to carry on and undertake any business transaction commonly carried on or undertaken by promoters of companies, financiers, concessionaires, contractors for public works, capitalists, merchants or traders.
- (T) To act as agents and secretaries or either of them for any other company, association or persons, whatever be the business such company, association or person carries on, and to carry on the business of advertising contractors and agents and any other business which may be usefully carried on in connection with such business and to carry on the business of manufacturers of all kinds of apparatus, appliances, plants and material employed by advertising contractors in their business and to sell and dispose of and to use the same for the purposes of the Company. 10
- (U) To carry on all kinds of exploration business and in particular to search for, prospect, examine and explore mines and ground supposed to contain tin ore or other minerals or oils and to search for and obtain information in regard to mines, mining claims, mining districts and localities. 20
- (V) To examine and obtain reports upon estates used for the cultivation of rubber and other products of any kind and land supposed to be suitable for the cultivation of rubber or other products as aforesaid. 30
- (W) To purchase, obtain grants, leases, licences or options over or otherwise acquire and to sell, turn to account, dispose of and deal with mines and mining rights, land supposed to contain tin ore or other minerals or oils, estates used for the cultivation of rubber or other products of any kind and land supposed to be suitable for the cultivation of rubber or other products as aforesaid and also undertakings, dredges, machinery, buildings and other property in any way connected with the foregoing, and while in occupation or control of any such property as aforesaid to preserve, safeguard, develop and manage the same and to carry on the same as a going-concern. 40 50

EXHIBITS

ABJ

Shareholders
Agreement
between,
Industrial &
Commercial Bank
Ltd., Arthur
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(continued)

- 10 (X) To carry on any other trade or business whatsoever which can, in the opinion of the Board of Directors, be advantageously or conveniently carried on by the Company by way of extension of or in connection with or as ancillary to any such business as aforesaid, or is calculated directly or indirectly to develop any branch of the Company's business or to increase the value of or turn to account any of the Company's assets, property or rights.
- (Y) To acquire and take over the whole or any part of the business, property and liabilities of any person or persons, firm or corporation, carrying on any business which this Company is authorised to carry on, or possessed of any property or rights suitable for the purposes of this Company.
- 20 (Z) To take or otherwise acquire and hold shares, stock, debentures or other securities of or interests in any other company having objects altogether or in part similar to those of this Company or carrying on or about to carry on any business capable of being conducted so as directly or indirectly to benefit this Company.
- 30 (AA) To pay for any property or rights acquired by the Company, either in cash or in fully or partly paid shares, or by the issue of securities, or partly in one mode and partly in another, and generally on such terms as may be determined.
- 40 (BB) To borrow or raise or secure the payment of money by mortgage, or by the issue of debentures or debenture stock, perpetual or otherwise, or in such other manner as the Company shall think fit, and for the purposes aforesaid or for any other lawful purpose to charge all or any of the Company's property or assets, present and future, including its uncalled capital, and collaterally or further to secure any securities of the Company by a trust deed or other assurance.
- 50 (CC) To draw, make, accept, indorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.

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(continued)

- (DD) To grant pensions, allowances, gratuities and bonuses to officers or ex-officers of the Company, or to employees or ex-employees of the Company or to its predecessors in business or the dependants relations or connections of any such persons, and to support or subscribe to any charitable public or political institutions, clubs, societies or funds. To subscribe or guarantee money for any national, local, charitable, benevolent, public, general or useful object, or for any exhibition, or for any purpose which may be considered likely directly or indirectly to further the objects of the Company or the interests of its members. 10
- (EE) To lend money on any terms that may be thought fit, and particularly to customers or other persons or corporations having dealings with the Company, and to give any guarantees that may be deemed expedient. 20
- (FF) To invest any moneys of the Company not required for the purposes of its business in such investments or securities as may be thought expedient.
- (GG) To enter into any partnership or arrangement in the nature of a partnership, co-operation or union of interest, with any person or persons or corporation engaged or interested or about to become engaged or interested in the carrying on or conduct of any business or enterprise which this Company is authorised to carry on or conduct or from which this Company would or might derive any benefit, whether direct or indirect. 30
- (HH) To establish or promote any other company whose objects shall include the taking over of any of the assets and liabilities of this Company or the promotion of which shall be calculated to advance its interests, and to acquire and hold any shares or securities of any such company. 40
- (II) To acquire and hold or dispose of shares, stock or securities of and guarantee the payment of dividends, interest or capital of any shares, stock or securities issued by or any other obligations of any such company.
- (JJ) To sell, improve, manage, develop, turn to 50

account, exchange, let or rent, royalty share of profits or otherwise, grant licences, easements and other rights in or over, and in any other manner deal with or dispose of the undertaking and all or any of the property and assets for the time being of the Company for such consideration as the Company may think fit.

EXHIBITS

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Shareholders Agreement between, Industrial & Commercial Bank Ltd., Arthur Lipper International Ltd. and D.F.H. Sinclair Esq.

28th March 1972

(continued)

10 (KK) To amalgamate with any other company whose objects are or include objects similar to those of this Company, whether by sale or purchase (for fully or partly paid-up shares or otherwise) of the undertaking, subject to the liabilities of this or any such other company as aforesaid, with or without winding-up, or by sale or purchase (for fully or partly paid-up shares or otherwise) of all or a controlling interest in the shares or stock of this or any such other company as aforesaid, or by partnership, or any arrangement of the nature of partnership, or in any other manner.

20

(LL) To distribute any of the Company's property among the members in specie.

30

(MM) To cause the Company to be registered or recognised in any foreign country or place, and to do all or any of the above things in any part of the world, and either as principals, agents, trustees or otherwise, and either alone or in conjunction with others, and by or through agents, sub-contractors, trustees or otherwise.

40

(NN) (i) To make donations for patriotic or for charitable purposes and
(ii) To transact any lawful business in aid of Singapore in the prosecution of any war or hostilities in which Singapore is engaged.

50

(OO) To do any or all of the things herein set forth and to the same extent as natural persons could do and in any part of the world as principal agents or otherwise and either alone or in company with others and to do all such other things as are incidental or the Board of Directors may think conducive to the attainment of the above objects or any of them.

(PP) The objects set forth in any sub-clause of this clause shall not be restrictively

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and D.F.H.
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(continued)

constructed but the widest interpretation shall be given thereto, and they shall not, except when the context expressly so requires, be in any way limited or restricted by reference to or inference from any other object or objects set forth in such sub-clause or from the terms of any other sub-clause or by the name of the Company. None of such sub-clauses or the object or objects therein specified or the powers thereby conferred shall be deemed subsidiary or ancillary to the objects or powers mentioned in any other sub-clause, but the Company shall have full power to exercise all or any of the powers and to achieve or to endeavour to achieve all or any of the objects conferred by and provided in any one or more of the said sub-clauses.

10

4. The liability of the members is limited.

5. The share capital of the Company is \$100,000/- (Singapore Currency) divided into 100,000 shares of \$1.00 each. The shares in the original or any increased capital may be divided into several classes, and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise.

20

WE, the several persons whose names, addresses and descriptions are subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

EXHIBITS

AB1

Shareholders Agreement between, Industrial & Commercial Bank Ltd., Arthur Lipper International Ltd. and D.F.H. Sinclair Esq.

28th March 1972

(continued)

10

NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS	Number of Shares taken by each Subscriber
--	---

Dated this.....day of.....19....

Witness to the above Signatures:-

Advocate and Solicitor,
30/35, Chartered Bank Chambers,
Singapore.

EXHIBITS

THE COMPANIES ACT, (Cap.185 of 1970 Ed.)

AB1

Shareholders Agreement between, Industrial & Commercial Bank Ltd., Arthur Lipper International Ltd. and D.F.H. Sinclair Esq.

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

28th March 1972

(continued)

TABLE 'A' EXCLUDED

Table 'A' 1. The regulations in Table 'A' in the excluded Fourth Schedule to the Companies Act, (Cap.185, 1970 Ed.) shall not apply to the Company, except so far as the same are repeated or contained in these Articles.

10

INTERPRETATION

Interpre- 2. In these Articles the words standing tation in the first column of the table next clause hereinafter contained shall bear the meanings set opposite to them respectively in the second column thereof, if not inconsistent with the subject or context

	WORDS	MEANINGS	
Defini- tions	The Act	The Companies Act, (Cap.185 1970 Ed.) and every other Act for the time being in force concerning joint stock companies and affecting the Company.	20
	These Articles	These Articles of Association as originally framed or as altered from time to time by Special Resolution.	
	The Directors	The Directors for the time being of the Company.	30
	The Office	The registered office for the time being of the Company.	
	The Secretary	The Secretary means any person appointed to perform	

	WORDS	MEANINGS	<u>EXHIBITS</u>
	The Secretary (contd.)	the duties of Secretary of the Company.	AB1 Shareholders Agreement
	The Seal	The Common Seal of the Company.	between, Industrial & Commercial Bank Ltd., Arthur Lipper Inter- national Ltd. and D.F.H. Sinclair Esq.
10	Writing shall include printing and lithography and any other mode or modes of representing or reproducing words in a visible form.		28th March 1972
	Words importing the singular number only shall include the plural number, and vice versa.		(continued)
	Words importing the masculine gender only shall include the feminine gender, and		
	Words importing persons shall include corporations.		

20 Expression in Act to bear same meaning in Articles

Subject as aforesaid, any words or expressions defined in the Act shall except where the subject or context forbids, bear the same meanings in these Articles.

SHARES

Initial capital

3. The initial capital of the Company is \$100,000/- (Singapore Currency) divided into 100,000 shares of \$1.00 each.

30 How shares to be issued

4. The shares taken by the subscribers to the Memorandum of Association shall be duly issued by the Directors. Subject as aforesaid, the shares shall be under the control of the Directors, who may allot and issue the same (subject always to Articles 5 and 45 hereof) to such persons on such terms and conditions and at such times as the Directors think fit, but so that no shares shall be issued at a discount except in accordance with provisions of the Act. Any preference share may, with the sanction of a Special Resolution be issued on the terms that it is, or at the option of the Company is liable, to be redeemed.

40

EXHIBITS

AB1

Shareholders
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between,
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28th March 1972

(continued)

Private
Company

5. The Company is a Private Company, and accordingly (A) no invitation shall be issued to the public to subscribe for any shares or debentures of the Company (B) the number of the members of the Company (not including persons who are in the employment of the Company, and persons who, having been formerly in the employment of the Company, were while in that employment and have continued after the determination of that employment, to be members of the Company) shall be limited to fifty, provided that, for the purpose of this provision, where two or more persons hold one or more shares in the Company jointly they shall be treated as a single member; (C) the right to transfer the shares of the Company shall be restricted in manner hereinafter appearing; and (D) no invitation shall be issued to the public to deposit money with the Company for fixed periods or payable at call, whether bearing or not bearing interest.

10

20

Commi-
ssion
on sub-
scription
of shares

6. The Company may pay to any person a commission in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the Company: Provided that such commission shall not exceed 10 per cent. of the price at which such shares are issued, or an amount equivalent to such percentage; and the requirements of the Act shall be observed. Any such commission may be satisfied in fully paid shares of the Company, in which case the provisions of the Act shall be duly complied with.

30
40

Interest
on share
capital
during
constru-
ction

7. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a lengthened period, the Company may pay interest on so much of such share capital as is for the time being paid up for the period and subject to the conditions and restrictions mentioned in the Act, and may charge the same to capital as part of the cost of construction of the works, buildings or plant.

50

Receipts of joint holders of shares 8. If two or more persons are registered as joint holders of any share, any one of such persons may give effectual receipts for any dividends or other moneys payable in respect of such share.

EXHIBITS
AB1
Shareholders Agreement between, Industrial & Commercial Bank Ltd., Arthur Lipper International Ltd. and D.F.H. Sinclair Esq.
28th March 1972
(continued)

10 No trust recognised 9. No person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or required to recognise any equitable, contingent, future or partial interest in any share or any right whatsoever in respect of any share other than an absolute right to the entirety thereof in the registered holder, except as by these Articles otherwise expressly provided or as by Act required or pursuant to any Order of Court.

20 Registered member entitled to share certificate 10. Subject to the provisions of the Act every member shall be entitled, without payment to receive within two months after allotment or lodgment of transfer (unless the conditions of issue provide for a longer interval) one certificate under the seal for all the shares registered in his name, specifying the number and denoting number of the shares in respect of which it is issued and the amount paid up thereon: Provided that in the case of joint holders the Company shall not be bound to issue more than one certificate to all the joint holders, and delivery of such certificate to any one of them shall be sufficient delivery to all. Every certificate shall be signed by one Director and countersigned by the Secretary or some other person nominated by the Directors for the purpose unless a share seal is authorised and used.

40 New certificate may be issued 11. Subject to the provisions of the Act, if any share certificate shall be defaced, worn out, destroyed or lost, it may be renewed on such evidence being produced and such indemnity (if any) being given as the Directors shall require, and (in case of defacement or wearing out) on delivery up of the old certificate, and in any case on payment of such sum not exceeding two dollars (\$2/-) as the Directors may from time to time require.

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EXHIBITS

LIEN

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Shareholders
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between,
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Sinclair Esq.
28th March 1972
(continued)

Company 12. The Company shall have a first and
to have paramount lien upon all shares (whether
lien on fully paid or not) registered in the
shares name of any member, either alone or
and divi-jointly with any other person, for his
dends debts, liabilities and engagements,
whether solely or jointly with any other
person, to or with the Company, whether
the period for the payment, fulfilment
or discharge thereof shall have actually
arrived or not, and such lien shall
extend to all dividends from time to
time declared in respect of such shares.
But the Directors may at any time declare
any share to be exempt, wholly or
partially, from the provisions of this
Article.

10

Lien 13. The Directors may sell the shares
may be subject to any such lien at such time
enforced or times and in such manner as they think
by sale fit, but no sale shall be made until
of such time as the moneys in respect of
shares which such lien exists or some part
thereof are or is presently payable or
the liability or engagement in respect
of which such lien exists is liable to
be presently fulfilled or discharged,
and until a demand and notice in writing
stating the amount due or specifying the
liability or engagement and demanding
payment or fulfilment or discharge there-
of and giving notice of intention to sell
in default shall have been served on
such member or the persons (if any)
entitled by transmission to the shares,
and default in payment, fulfilment or
discharge shall have been made by him or
them for seven days after such notice.

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Appli- 14. The net proceeds of any such sale
cation shall be applied in or towards satisfac-
of pro- tion of the amount due to the Company, or
ceeds of the liability or engagement, as the
of sale case may be, and the balance (if any)
shall be paid to the member or the person
(if any) entitled by transmission to the
shares so sold.

40

Direc- 15. Upon any such sale as aforesaid, the
tors Directors may authorise some person to
may transfer the shares sold to the purchaser,
trans- and may enter the purchaser's name in the
fer and register as holder of the shares, and the

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enter purchaser shall not be bound to see to
purchas- the application of the purchase money,
er's name nor shall his title to the shares be
in share affected by any irregularity or invalid-
register ity in the proceedings in reference to
the sale.

EXHIBITS

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(continued)

10 Member not 16. No member shall be entitled to
entitled receive any dividend or to exercise any
to privi- privilege as a member until he shall
leges of have paid all calls for the time being
membership due and payable on every share held by
until all him, whether alone or jointly with any
calls paid other person, together with interest and
expenses (if any).

CALLS ON SHARES

20 Directors 17. The Directors may, subject to the
may make provisions of these Articles, from time
calls to time make such calls upon the members
in respect of all moneys unpaid on their
shares as they think fit, provided that
fourteen days notice at least is given
of each call and each member shall be
liable to pay the amount of every call so
made upon him to the persons, by the
instalments (if any) and at the times and
places appointed by the Directors.

30 When call 18. A call shall be deemed to have been
deemed made at the time when the resolution of
made the Directors authorising such call was
passed.

Liability 19. The joint holders of a share shall
of joint be jointly and severally liable to the
holders payment of all calls and instalments in
respect thereof.

40 Interest 20. If before or on the day appointed
on unpaid for payment thereof a call or instalment
call payable in respect of a share is not paid,
the person from whom the same is due shall
pay interest on the amount of the call or
instalment at such rate not exceeding 10
per cent. per annum as the Directors shall
fix from the day appointed for payment
thereof to the time of actual payment,
but the Directors may waive payment of
such interest wholly or in part.

Sums pay- 21. Any sum which by the terms of allot-
able on ment of a share is made payable upon
allotment allotment or at any fixed date, whether
deemed a on account of the amount of the share or
call

EXHIBITS

AB1

Shareholders Agreement between, Industrial & Commercial Bank Ltd., Arthur Lipper International Ltd. and D.F.H.

Sinclair Esq. Difference in calls 28th March 1972 (continued)

by way of premium shall, for all purposes of these Articles, be deemed to be a call duly made and payable on the date fixed for payment, and in case of non-payment the provisions of these Articles as to payment of interest and expenses, forfeiture and the like, and all other relevant provisions of these Articles, shall apply as if such sum were a call duly made and notified as hereby provided. 10

22. The Directors may, from time to time, make arrangements on the issue of shares for a difference between the holders of such shares in the amount of calls to be paid and in the time of payment of such calls.

Calls may be paid in advance 23. The Directors may, if they think fit, receive from any member willing to advance the same all or any part of the moneys due upon his shares beyond the sums actually called up thereon, and upon the moneys so paid in advance, or so much thereof as exceeds the amount for the time being called up on the shares in respect of which such advance has been made, the Directors may pay or allow such interest as may be agreed between them and such member, in addition to the dividend payable upon such part of the share in respect of which such advance has been made as is actually called up. 20 30

TRANSFER OF SHARES

Shares to be transferable 24. ~~(A)~~ Subject to the restrictions of these Articles, shares shall be transferable, but every transfer must be in writing in the usual common form, or in such other form as the Directors shall from time to time approve, and must be left at the office, accompanied by the certificate of the shares to be transferred and such other evidence (if any) as the Directors may require to prove the title of the intending transferor. 40

Persons under disability 25. ~~(B)~~ No share shall in any circumstances be knowingly transferred to any infant, bankrupt or person of unsound mind.

Company Member

~~25xxx(A) Subject xxx provided in Article 28~~
any share may be transferred by a member being a company or a liquidator of any member being a company in liquidation to any company which is its holding company or to any company or companies which is or are a subsidiary or associated company or companies of such member or of any company which is its holding company

EXHIBITS

AB1

Shareholders Agreement between, Industrial & Commercial Bank Ltd., Arthur Lipper International Ltd. and D.F.H. Sinclair Esq.

28th March 1972

(continued)

10

Shares to be offered to members

(B) Save as hereby otherwise provided, no share shall be transferred to any person who is not a member of the Company so long as any member or any person selected by the Directors as one whom it is desirable in the interests of the Company to admit to membership is willing to purchase the same at the fair value, which shall be determined as hereinafter provided.

20

Notice of desire to sell

(C) In order to ascertain whether any member or person selected as aforesaid is willing to purchase a share at the fair value, the person, whether a member of the Company or not, proposing to transfer the same (hereinafter called "the retiring member") shall give a notice in writing (hereinafter described as a "sale notice") to the Company that he desires to sell the same. Every sale notice shall specify the denoting numbers of the shares which the retiring member desires to sell, and shall constitute the Company the agent of the retiring member for the sale of such shares to any member of the Company at the fair value. No sale notice shall be withdrawn except with the sanction of the Directors.

30

40 Company to find purchaser

(D) If the Company shall within twenty-eight days after service of sale notice find a member or person selected as aforesaid willing to purchase any share comprised therein (hereinafter described as a "purchasing member") and shall give notice thereof to the retiring member, the retiring member shall be bound upon payment of the fair value to transfer the share to such purchasing member, who shall be bound to complete the purchase within seven days from the service of such last mentioned notice.

50

~~The Directors shall, with a view to~~

EXHIBITS

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Shareholders Agreement between, Industrial & Commercial Bank Ltd., Arthur Lipper International Ltd. and D.F.H. Sinclair Esq.

28th March 1972

(continued)

~~finding a purchasing member, offer any~~
shares comprised in a sale notice to the persons then holding the remaining shares in the Company as nearly as may be in proportion to their holdings of shares in the Company, and shall limit a time within which such offer if not accepted will be deemed to be declined; and the Directors shall make such arrangements as regard the finding of a purchasing member for any shares not accepted by a member to whom they shall have been so offered as aforesaid within the time so limited as they shall think just and reasonable.

10

Auditor's certificate

(E) In case any difference arises between the retiring member and the purchasing member as to the fair value of a share, the Auditor shall on the application of either party certify in writing the sum which in his opinion is the fair value

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so certifying the Auditor shall be considered to be acting as an expert and not as an Arbitrator and accordingly the Arbitration Ordinance shall not apply.

Company may complete sale if retiring member makes default

(F) In the event of the retiring member failing to carry out the sale of any shares which he shall have become bound to transfer as aforesaid, the Directors may authorise some person to execute a transfer of the shares to the purchasing member and may give a good receipt for the purchase price of such shares, and may register the purchasing member as holder thereof and issue to him a certificate for the same, and thereupon the purchasing member shall become indefeasibly entitled thereto. The retiring member shall in such case be bound to deliver up his certificate for the said shares, and on such delivery shall be entitled to receive the said purchase price, without interest, and if such certificate shall comprise any shares which he has not become bound to transfer as aforesaid the Company shall issue to him a balance certificate for such shares.

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40

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If Company does not find

(G) If the Directors shall not, within the space of twenty-eight days after service of a sale notice, find a

EXHIBITS

AB1

Shareholders Agreement between, Industrial & Commercial Bank Ltd., Arthur Lipper International Ltd. and D.F.H. Sinclair Esq.

28th March 1972

(continued)

10 purchaser member may sell as he pleases within six months

~~purchasing member for all or any of the shares comprised therein and give notice in manner aforesaid, or if through no default of the retiring member, the purchase of any shares in respect of which such last mentioned notice shall be given shall not be completed within twenty-one days from the service of such notice, the retiring member shall, at any time within six months thereafter, be at liberty, subject to Article 28 hereof, to sell and transfer the shares comprised in his sale notice (or such of them as shall not have been sold to a purchasing member) to any person and at any price.~~

20 Transfers to be executed by both parties

26. The instrument of transfer of a share shall be executed both by the transferor and the transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect thereof.

30 Company to provide and Secretary to keep register

27. The Company shall provide a book to be called the "Register of Transfers" which shall be kept by the Secretary under the control of the Directors, and in which shall be entered the particulars of every transfer or transmission of every share.

40 Directors may refuse to register in certain cases

28. The Directors may, in their absolute discretion, and without assigning any reason, refuse to register a transfer of any share. The Directors may refuse to register any transfer of shares on which the Company has a lien or any transfer which might cause the number of members to exceed the limit prescribed by Article 5. If the Directors refuse to register a transfer of any shares, they shall, within one month after the date on which the transfer was lodged with the Company, send to the transferor and transferee notice of the refusal, as required by the Act.

50 Transfer fee

29. Such fee, not exceeding Two dollars (\$2/-) for each transfer, as the Directors may from time to time determine, may be charged for registration of a transfer.

EXHIBITS

AB1

Shareholders Agreement between, Industrial & Commercial Bank Ltd., Arthur Lipper International Ltd. and D.F.H. Sinclair Esq. 28th March 1972 (continued)

Register of transfers may be closed

30. The register of transfers may be closed during the fourteen days immediately preceding every Annual General Meeting of the Company, and at such other times (if any) and for such period as the Directors may from time to time determine, provided always that it shall not be closed for more than thirty days in any year.

TRANSMISSION OF SHARES

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On death of member survivor or executor only recognised

31. (A) In the case of the death of a member, the survivors or survivor, where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his shares, but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share jointly held by him.

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(B) Any person becoming entitled to a share in consequence of the death or bankruptcy of any member may, upon producing such evidence of title as the Directors shall require, be registered himself as holder of the share, or, subject to the provisions as to transfers herein contained, transfer the same to some other person.

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Person entitled may receive dividends without being registered as member, but may not vote

32. A person entitled to a share by transmission shall be entitled to receive, and may give a discharge for, any dividends or other moneys payable in respect of the share, but he shall not be entitled in respect of it to receive notices of, or to attend or vote at meetings of the Company, or, save as aforesaid, to exercise any of the rights or privileges of a member, unless and until he shall become a member in respect of the share.

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FORFEITURE OF SHARES

Directors may require payment of call with interest and expenses

33. If any member fails to pay the whole or any part of any call or instalment of a call on or before the day appointed for the payment thereof, the Directors may at any time thereafter, during such time as the call or

instalment or any part thereof remains unpaid, serve a notice on him or on the person entitled to the share by transmission requiring him to pay such call or instalments, or such part thereof as remains unpaid, together with interest at such rate not exceeding 10 per cent. per annum as the Directors shall determine, and any expenses that may have accrued by reason of such non-payment.

EXHIBITS

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Shareholders Agreement between, Industrial & Commercial Bank Ltd., Arthur Lipper International Ltd. and D.F.H. Sinclair Esq.

28th March 1972

(continued)

10

Notice requiring payment to contain certain particulars

34. The notice shall name a further day (not earlier than the expiration of seven days from the date of the notice) on or before which such call or instalments, or such part as aforesaid, and all interest and expenses that have accrued by reason of such non-payment, are to be paid. It shall also name the place where payment is to be made, and shall state that, in the event of non-payment at or before the time and at the place appointed, the shares in respect of which such call was made will be liable to be forfeited.

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30

On non-compliance with notice shares forfeited on resolution of Directors

35. If the requisition of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect. A forfeiture of shares shall include all dividends in respect of the shares not actually paid before the forfeiture, notwithstanding that they shall have been declared.

40

Notice of forfeiture to be given and entered in register of members

36. When any share has been forfeited in accordance with these Articles, notice of the forfeiture shall forthwith be given to the holder of the shares or to the person entitled to the share by transmission, as the case may be, and an entry of such notice having been given, and of the forfeiture with the date thereof, shall forthwith be made in the register of members opposite to the share; but the provisions of this Article are directory only, and no forfeiture shall be in any manner invalidated by any omission or neglect

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EXHIBITS

ABI

Shareholders Agreement between, Industrial & Commercial Bank Ltd., Arthur Lipper International Ltd. and D.F.H. Sinclair Esq.	Directors may allow forfeited share to be re-deemed	37. Notwithstanding any such forfeiture as aforesaid, the Directors may, at any time before the forfeited share has been otherwise disposed of, annul the forfeiture, upon the terms of payment of all calls and interest due thereon and all expenses incurred in respect of the share and upon such further terms (if any) as they shall see fit.	10
28th March 1972 (continued)	Procedure for shares forfeited	38. Every share which shall be forfeited may be sold, re-allotted, or otherwise disposed of, either to the person who was before forfeiture the holder thereof, or entitled thereto, or to any other person, upon such terms and in such manner as the Directors shall think fit, and the Directors may, if necessary, authorise some person to transfer the same to such other person as aforesaid.	20
	Former holder of forfeited shares liable for call made before forfeiture	39. A shareholder whose shares have been forfeited shall, notwithstanding, be liable to pay to the Company all calls made and not paid on such shares at the time of forfeiture, and interest thereon to the date of payment, in the same manner in all respects as if the shares had not been forfeited, and to satisfy all (if any) the claims and demands which the Company might have enforced in respect of the share at the time of forfeiture, without any deduction or allowance for the value of the shares at the time of forfeiture.	30
	Consequences of forfeiture	40. The forfeiture of a share shall involve the extinction at the time of forfeiture of all interest in and all claims and demands against the Company in respect of the share, and all other rights and liabilities incidental to the share as between the shareholder whose share is forfeited and the Company, except only such of those rights and liabilities as are by these Articles expressly saved, or as are by the Act given or imposed in the case of past members.	40
	Title to forfeited shares	41. A statutory declaration in writing that the declarant is a Director of the	50

Company, and that a share has been duly forfeited in pursuance of these Articles, and stating the date upon which it was forfeited, shall, as against all persons claiming to be entitled to the share adversely to the forfeiture thereof, be conclusive evidence of the facts therein stated, and such declaration, together with the receipt of the Company for the consideration (if any) given for the share on the sale or disposition thereof, and a certificate of proprietorship of the share under the seal delivered to the person to whom the same is sold or disposed of, shall constitute a good title to the share, and (subject to the execution of any necessary transfer) such person shall be registered as the holder of the share and shall be discharged from all calls made prior to such sale or disposition, and shall not be bound to see to the application of the purchase money (if any), nor shall his title to the share be affected by any act, omission or irregularity relating to or connected with the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.

EXHIBITS

AB1

Shareholders Agreement between, Industrial & Commercial Bank Ltd., Arthur Lipper International Ltd. and D.F.H. Sinclair Esq.

28th March 1972

(continued)

CONVERSION OF SHARES INTO STOCK

42. (A) The Company may, from time to time, by resolution of a General Meeting convert all or any of its paid-up shares into stock and may from time to time, in like manner, re-convert any such stock into paid-up shares of any denomination.

(B) When any shares have been converted into stock, the several holders of such stock may transfer their respective interests therein, or any part of such interests, in such manner as the Company in General Meeting shall direct, but in default of any such direction in the same manner and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances will admit. But the Directors may, if they think fit, from time to time fix the minimum amount of stock transferable, and restrict or

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28th March
1972

(continued)

forbid the transfer of fractions of that minimum, provided that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

(C) The several holders of stock shall be entitled to participate in the dividends and profits of the Company according to the amount of their respective interests in such stock, and such interests shall, in proportion to the amount thereof, confer on the holders thereof respectively the same privileges and advantages for the purpose of voting at meetings of the Company and for other purposes as if they held the shares from which the stock arose, but so that none of such privileges or advantages, except the participation in the dividends, profits and assets of the Company, shall be conferred by any holding or part of a holding of stock as would not, if existing in shares, have conferred such privileges or advantages. 10 20

(D) All such provisions of these Articles as are applicable to paid-up shares shall apply to stock, and in all such provisions the words "share" and "shareholder" shall include "stock" and "stockholder". 30

ALTERATIONS OF CAPITAL

Company
may alter
its capi-
tal in
certain
ways

43. The Company may so far alter the conditions of its Memorandum of Association by Ordinary Resolution :-

- (A) To consolidate and divide its share capital into shares of larger amount than its existing shares, or
- (B) To cancel any shares not taken or agreed to be taken by any person, or 40
- (C) To divide its share capital or any part thereof into shares of smaller amount than is fixed by its Memorandum of Association by sub-division of its existing shares or any of them,

subject nevertheless to the provisions of the Act, and so that as between the resulting shares, one or more of such shares may by the resolution by which such sub-division is effected be given any preference or advantage as regards dividend, capital, voting or otherwise over the others or any other of such shares;

EXHIBITS

AB1

Shareholders Agreement between, Industrial & Commercial Bank Ltd., Arthur Lipper International Ltd. and D.F.H. Sinclair Esq.

28th March 1972

(continued)

and by Special Resolution -

- (D) To reduce its capital and any capital redemption reserve fund or any share premium account in any manner authorised and subject to any conditions prescribed by the Act.

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20

INCREASE OF CAPITAL

Company may increase its capital

44. The Company in General Meeting may from time to time, whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued shall have been fully called up or not, increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts and (subject to any special rights for the time being attached to any existing class of shares) to carry such preferential, deferred or other special rights (if any) or to be subject to such conditions or restrictions (if any), in regard to dividend, return of capital, voting or otherwise, as the General Meeting resolving upon such increase, directs.

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Unissued and new shares to be first offered to members unless otherwise determined

45. (A) Unless otherwise determined by the Company in General Meeting any original shares for the time being unissued and not allotted as provided in Article 4 and any new shares from time to time to be created shall, before they are issued, be offered to the members in proportion, as nearly as may be to the number of shares held by them. Such offer shall be made by notice specifying the number of shares

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offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of such time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may subject to these Articles, dispose of the same in such manner as they think most beneficial to the Company. The Directors may, in like manner dispose of any such new or original shares as aforesaid, which, by reason of the proportion borne by them to the number of persons entitled to such offer as aforesaid or by reason of any other difficulty in apportioning the same, cannot in the opinion of the Directors be conveniently offered in manner hereinbefore provided.

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New shares
to be
ordinary
capital
unless
otherwise
provided

(B) Except so far as otherwise provided by or pursuant to these Articles or by the conditions of issue, any new share capital shall be considered as part of the original share capital of the Company, and shall be subject to the same provisions with reference to the payment of calls, lien transfer, transmission, forfeiture and otherwise as the original share capital.

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MODIFICATION OF CLASS RIGHTS

Rights of
sharehold-
ers may
be altered

46. Subject to the provisions of the Act, all or any of the rights, privileges or conditions for the time being attached or belonging to any class of shares for the time being forming part of the capital of the Company may from time to time be modified, varied, extended or surrendered in any manner with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate meeting of the members of that class. To any such separate meeting all the provisions of these Articles as to General Meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be members of the class holding or representing by proxy one-third of the capital paid or credited as paid on the issued shares of the class, and

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every holder of shares of the class in question shall be entitled on a poll to one vote for every such share held by him. Provided that if at any adjourned meeting of the members of such class a quorum as above defined is not present those members who are present shall form a quorum.

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GENERAL MEETINGS

- 10 General Meetings 47. A General Meeting shall be held once in every calendar year, at such time and place as may be determined by the Directors, but so that not more than fifteen months shall be allowed to elapse between any two such General Meetings.
- Annual General Meetings 48. The above-mentioned General Meetings shall be called Annual General Meetings. All other General Meetings shall be called Extraordinary General Meetings.
- Extra-ordinary General Meetings 49. The Directors may call an Extraordinary General Meeting whenever they think fit, and Extraordinary General Meetings shall also be convened on such requisition, or in default may be convened by such requisitionists, as provided by the Act.
- 30 Notice of Meeting 50. Subject to the provisions of the Act relating to the convening of meetings to pass Special Resolutions, and agreements for shorter notice, fourteen days' notice at the least, specifying the place, the day and the hour of meeting, and in the case of special business the general nature of such business, shall be given in manner hereinafter mentioned to such persons as are under the provisions of these Articles entitled to receive notices of General Meetings from the Company, but with the consent of all persons for the time being entitled as aforesaid, a meeting may be convened in such manner as such persons may approve. The accidental omission to give such notice to, or the non-receipt of such notice by, any such person shall not invalidate any resolution passed or proceeding had
- 40
- 50 at any such meeting.

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PROCEEDINGS AT GENERAL MEETINGS

ABI Shareholders Agreement between, Industrial & Commercial Bank Ltd., Arthur Lipper Inter- national Ltd. and D.F.H. Sinclair Esq. 28th March 1972 (continued)	Special business	51. All business shall be deemed special that is transacted at an Extraordinary General Meeting, and all that is transacted at an Annual General Meeting shall also be deemed special, with the exception of sanctioning a dividend, the consideration of the accounts and balance sheets and the reports of the Directors and Auditors, and any other documents annexed to the balance sheets, the fixing of the Directors remuneration and the appointment and fixing of the remuneration of the Auditors.	10
	No busi- ness to be trans- acted unless quorum present	52. No business shall be transacted at any General Meeting unless a quorum is present in person or by proxy when the meeting proceeds to business. For all purposes the quorum shall be members personally present or represented by proxy or attorney not being less than two.	20
	If quorum not present meeting adjourned or dis- solved	53. If within half an hour from the time appointed for the holding of a General Meeting a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place, and if at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, the members present shall be a quorum.	30
	Chairman of Board to pre- side at all meetings	54. The Chairman (if any) of the Board of Directors shall preside at every General Meeting, but if there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding the same, or shall be unwilling to act as Chairman, the members present shall choose some Director, or if no Director be present, or if all the Directors present decline to take the chair, they shall choose some member present to be Chairman of the meeting.	40
	Notice of adjourn- ment to be given	55. The Chairman may, with the consent of any meeting at which a quorum is	50

present, and shall, if so directed by the meeting, adjourn any meeting from time to time and from place to place as the meeting shall determine. Whenever a meeting is adjourned for ten days or more, notice of the adjourned meeting shall be given in the same manner as in the case of an original meeting. Save as aforesaid, no member shall be entitled to any notice of an adjournment or of the business to be transacted at an adjourned meeting. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.

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How resolution decided

56. At all General Meetings resolutions put to the vote of the meeting shall be decided on a show of hands, unless before or upon the declaration of the result of the show of hands a poll be demanded in writing by the Chairman or by any person for the time being entitled to vote at the meeting, and unless a poll be so demanded a declaration by the Chairman of the meeting that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority, shall be conclusive, and an entry to that effect in the minute book of the Company shall be conclusive evidence thereof, without proof of the number or proportion of the votes recorded in favour of or against such resolution. The demand for a poll may be withdrawn.

Poll to be taken as Chairman shall direct

57. If a poll be demanded in manner aforesaid, it shall be taken at such time and place, and in such manner as the Chairman shall direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

No poll in certain cases

58. No poll shall be demanded on the election of a Chairman of a meeting, or on any question of adjournment.

Chairman to have casting vote

59. In the case of an equality of votes either on a show of hands or on a poll, the Chairman of the meeting shall be entitled to a further or casting vote.

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Business to be continued if poll demanded

60. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business, other than the question for which a poll has been demanded.

VOTES OF MEMBERS

How votes may be given and who can act as proxy

61. Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company, every member present in person or by proxy or represented by attorney shall have one vote and upon a poll every such member shall have one vote for every share held by him. A proxy or attorney need not be a member of the Company.

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Votes of lunatic member

62. If any member be a lunatic, idiot or non-compos mentis, he may vote by his committee, receiver, curator bonis or other legal curator, and such last mentioned persons may give their votes either personally or by proxy.

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Votes of joint holders of shares

63. If two or more persons are jointly entitled to a share, then in voting upon any question the vote of the senior who tenders a vote, whether in person or by proxy or by an attorney shall be accepted to the exclusion of the votes of the other registered holders of the shares, and for this purpose seniority shall be determined by the order in which the name stand in the register of members.

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Only members not indebted to Company in respect of shares entitled to vote

64. Save as herein expressly provided, no person other than a member duly registered and who shall have paid everything for the time being due from him and payable to the Company in respect of his shares, shall be entitled to be present or to vote on any question either personally or by proxy or by an attorney or to be reckoned in a quorum, at any General Meeting.

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Instrument appointing proxy to be in writing

65. (A) A Power of Attorney or a certified copy thereof or the instrument appointing a proxy shall be in writing under the hand of the appointor or of

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his attorney duly authorised in writing. EXHIBITS
An instrument appointing a proxy to
vote at a meeting shall be deemed to
include the power to demand or concur
in demanding a poll on behalf of the
appointor.

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10 (B) Any corporation which is a
member of the Company may by resolution
of its Directors or other governing
body authorise such person as it thinks
fit to act as its representative at
any meeting of the Company, and the
person so authorised shall be entitled
to exercise the same powers on behalf
of the corporation which he represents
as that corporation could exercise if
it were an individual member of the
Company.

20 Instrument appointing a proxy to
be left at Company's office
66. The instrument appointing a proxy,
together with the power of attorney
(if any) under which it is signed or
a certified copy thereof, shall be
deposited at the office at least forty-
eight hours before the time appointed
for holding the meeting or adjourned
meeting at which the person named in
such instrument proposes to vote;
otherwise the person so named shall not
be entitled to vote in respect thereof.

30 Form of proxy
67. Any instrument appointing a proxy
shall be in writing in the common form
or any form approved by the Directors
under the hands of the appointor or
his attorney duly authorised in writing.

DIRECTORS

Appoint-
ment and
number of
Directors
68. The first Directors shall be

40 69. The Company in General Meeting may,
subject to the provisions of these
Articles, from time to time appoint new
Directors, and may increase or reduce
the number of Directors in office, and
may alter their qualifications. Until
otherwise determined by a General
Meeting, the number of Directors shall be
not less than two and there shall be no
maximum number.

<p><u>EXHIBITS</u> AB1 Shareholders Agreement between, Industrial & Commercial Bank Ltd., Arthur Lipper Inter- national Ltd. and D.F.H. Sinclair Esq. 28th March 1972 (continued)</p>	<p>Power to add to Direc- tors Direc- tor's qualifi- cations Alter- nate Direc- tors</p>	<p>70. Subject to the provisions of these Articles the Directors shall have power from time to time and at any time to appoint additional Directors. A Director so appointed shall retire from office at the close of the next Annual General Meeting, but shall be eligible for re-election.</p> <p>71 A Director shall not be required to hold any share in the Company.</p> <p>72. Any Director may from time to time and at any time appoint any person (not disapproved by a majority of the other Directors for the time being) to be an alternate Director of the Company, and may at any time remove the alternate Director so appointed by him from office. An alternate Director so appointed shall not be entitled to receive any remuneration from the Company, but shall be entitled to receive notices of and attend all meetings of the Directors, and to vote as a Director at any such meeting at which the Director appointing him is not present, and generally in the absence of his appointor to perform all the functions of his appointor as a Director. An alternate Director may be removed from office by resolution of the Board, and shall ipso facto cease to be an alternate Director if his appointor ceases for any reason to be a Director. All appointments and removals of alternate Directors made by any Director in pursuance of the provisions of this Article shall be in writing under the hand of the Director making the same and left at the office. The nomination of an alternate Director shall be valid if made by a cable or telegram, provided that such nomination shall be confirmed within three months from the date of such cable or telegram by a written nomination complying with the above mentioned requirements, and any act done by the alternate Director nominated in such cable or telegram between the date thereof and the date of the receipt within the prescribed period by the Company of the written nomination shall be as valid and effectual as if such alternate Director had been duly appointed</p>	<p>10</p> <p>20</p> <p>30</p> <p>40</p> <p>50</p>
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in the first instance, whether such written nomination shall be received by the Company within the prescribed period or not.

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Directors' remuneration

73. The remuneration of the Directors shall from time to time be determined by the Company in General Meeting. The Directors shall also be paid such travelling hotel and other expenses as may reasonably be incurred by them in the execution of their duties including any such expenses incurred in connection with their attendance at Meetings of Directors. If by arrangement with the other Directors any Director shall perform or render any special duties or services outside his ordinary duties as a Director, the Directors may pay him special remuneration, in addition to his ordinary remuneration, and such special remuneration may be by way of salary, commission, participation in profits or otherwise as may be arranged.

A Director may hold any other office or place of profit under the Company (except that of Auditor) in conjunction with his office of Director, and on such terms as to remuneration and otherwise as the Directors shall arrange.

Office of Director vacated in certain cases

74. Subject as herein otherwise provided or to the terms of any subsisting agreement, the office of a Director shall be vacated :-

- (A) If a receiving order is made against him or he makes any arrangement or composition with his creditors;
- (B) If he is found lunatic or becomes of unsound mind;
- (C) If he absents himself from the Meetings of Directors for a period of six months without special leave of absence from the other Directors, and they pass a resolution that he has by reason of such absence vacated his office;

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- (D) If he is removed by a resolution of the Company in General Meeting;
- (E) If he shall be requested to vacate office by all the other Directors, and they pass a resolution that he has been so requested and by reason thereof has vacated his office;
- (F) If he is prohibited from being a Director by any order made under any provision of the Act; 10
- (G) If by notice in writing given to the Company he resigns his office.

Directors 75. The Directors may from time to time appoint any one or more of their Managing Director or Managing Directors, for such period and upon such terms as they think fit, and may vest in such Managing Director or Managing Directors such of the powers hereby vested in the Directors generally as they may think fit, and such powers may be made exercisable for such period or periods, and upon such conditions and subject to such restrictions, and generally upon such terms as to remuneration and otherwise as they may determine. The remuneration of a Managing Director may be by way of salary or commission or participation in profits, or by any or all of those modes or otherwise as may be thought expedient. 20 30

Special position of Managing Director 76. A Managing Director shall, subject to the provisions of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company, and if he ceases to hold the office of Director he shall ipso facto and immediately cease to be a Managing Director. 40

POWERS AND DUTIES OF DIRECTORS

Business of Company to be managed by Directors. 77. The business of the Company shall be managed by the Directors, who may pay all such expenses of and preliminary

and incidental to the promotion, formation, establishment and registration of the Company as they think fit, and may exercise all such powers of the Company, and do on behalf of the Company all such acts as may be exercised and done by the Company, and as are not by the Act or by these Articles required to be exercised or done by the Company in General Meeting, subject nevertheless to any regulations of these Articles, to the provisions of the Act, and to such regulations being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in General Meeting, but no regulation made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made. The Directors may from time to time and at any time by power of attorney appoint any company, firm or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these regulations) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him

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Directors' borrowing powers

78. (A) The Directors may borrow or raise from time to time for the purposes of the Company or secure the payment of such sums as they think fit, and may secure the repayment or payment of any such sums by mortgage or charge upon all or any of the property or assets of the Company or by the issue of debentures (whether at par or at a discount or premium) or otherwise as they think fit.

Directors' Pensions

(B) The Directors on behalf of the Company may pay a gratuity or pension

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Contin-
uing
Directors
may act
to fill
vacancies
or summon
meetings

or allowance on retirement to any Director or former Director who has held any other salaried office or place of profit with the Company or to his widow or dependants or relations or connections and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

79. The continuing Directors may act at any time notwithstanding any vacancy in their body: Provided always that in case the Directors shall at any time be reduced in number to less than the minimum number prescribed by or in accordance with these Articles, it shall be lawful for them to act as Directors for the purpose of filling up vacancies in their body, or summoning a General Meeting of the Company, but not for any other purpose.

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Directors
to comply
with the
Act

80. The Directors shall duly comply with the provisions of the Act, and particularly the provisions as to registration and keeping copies of mortgages and charges, keeping of the register of members, keeping a register of Directors and entering all necessary particulars therein, and sending a copy thereof or a notification of any changes therein to the Registrar of Companies, and sending to such Registrar an annual return, together with the certificates and the particulars required by the Act, notices as to increase of capital, returns of allotments and contracts relating thereto, copies of resolutions and agreements, and other particulars connected with the above.

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Declara-
tion of
interest

81. (A) A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest in accordance with the provisions of the Act. Save as by the next following paragraph of this Article otherwise provided, a Director shall not vote in respect of any contract or arrangement in which he is interested (and if he shall do so his vote shall not be counted), nor shall he be counted for the purpose of any resolution

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Restric-
tion on
Voting

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Quorum regarding the same, in the quorum present at the meeting, but this Article shall not apply to :-

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- (i) any arrangement for giving to him any security or indemnity in respect of money lent by him or obligations undertaken by him for the benefit of the Company; or
- 10 (ii) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security; or
- 20 (iii) any contract by him to subscribe for or underwrite shares or debentures of the Company; or
- (iv) any contract or arrangement with any other company in which he is interested only as a director or other officer or creditor of or as a shareholder in or beneficially interested in the shares of that company.

30 Relaxa-
tion of
restric-
tions on
voting

(B) A Director, notwithstanding his interest may be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any executive office or other office or place of profit under the Company or whereat the Directors resolve to exercise any of the rights of the Company (whether by the exercise of voting rights or otherwise) to appoint or concur in the appointment of a

40 Director to hold any office or place of profit under any other company or whereat the terms of any such appointment are considered, and he may vote on any such matter other than in respect of his own appointment or the arrangement of the terms thereof.

50 (C) The provisions of this Article may at any time be suspended or relaxed to any extent and either generally or in respect of any particular contract,

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Power to
maintain
Pension
Fund

arrangement or transaction, and any particular contract, arrangement or transaction carried out in contravention of this Article may be ratified by Ordinary Resolution of the Company.

82. The Directors may procure the establishment and maintenance of or participate in or contribute to any non-contributory or contributory pension or superannuation fund or life assurance scheme for the benefit of, and pay, provide for or procure the grant of donations, gratuities, pensions, allowance, benefits or emoluments to any persons (including Directors and other officers) who are or shall have been at any time in the employment or service of the Company or of any company which is a subsidiary of the company or of the predecessors in business of the Company or of any such subsidiary company, or the wives, widows, families or dependants of any such persons. The Directors may also procure the establishment and subsidy of or subscription and support to any institutions, associations, clubs, funds or trusts calculated to be for the benefit of any such persons as aforesaid or otherwise to advance the interests and well-being of the Company or of any such other company as aforesaid or of its members and payment for or towards the insurance of any such persons as aforesaid, and subscriptions or guarantees of money for charitable or benevolent objects or for any exhibition or for any public, general or useful object.

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PROCEEDINGS OF DIRECTORS

Meeting
of
Directors

83. The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit, and determine the quorum necessary for the transaction of business. Unless otherwise determined, two shall be a quorum. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the Chairman shall have a second or casting vote.

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Director
may call
meeting
of Board

84. A Director may, and on the request of a Director the Secretary shall, at

any time summon a meeting of the Directors.

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Chairman
of
Directors

85. The Directors may from time to time elect a Chairman, who shall preside at meetings of the Directors, and determine the period for which he is to hold office, but if no such Chairman be elected, or if at any meeting the Chairman be not present within five minutes after the time appointed for holding the same, the Directors present shall choose some one of their number to be Chairman of such meeting.

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Power for
Directors
to appoint
committees

86. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit. Any committees so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.

Chairman
of
Committees

87. A Committee may elect a Chairman of its meetings. If no such Chairman is elected, or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the same, the members present may choose one of their number to be Chairman of the meeting.

Meetings
of
committees

88. A Committee may meet and adjourn as its members think proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairman shall have a second or casting vote.

All acts
done by
Directors
to be valid

89. All acts bona fide done by any meeting of Directors, or of a committee of Directors, or by any person acting as a Director, shall, notwithstanding it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been fully appointed and was qualified to be a Director.

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Minutes to be made and when signed by Chairman to be conclusive evidence.

90. The Directors shall cause proper minutes to be made of all General Meetings of the Company and also of all appointments of officers, and of the proceedings of all meetings of Directors and Committees and of the attendance thereat, and of all business transacted at such meeting, and any such minute of any meeting, if purporting to be signed by the Chairman of such meeting, or by the Chairman of the next succeeding meeting, shall be conclusive evidence without any further proof of the facts therein stated.

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Resolution by circulation

91. (A) A resolution in writing signed or approved by letter or telegram by all the Directors who may at the time be present in the Republic of Singapore or Malaysia, being not less than are sufficient to form a quorum, shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted: provided that where a Director is not so present but has an alternate who is so present, then such resolution must also be signed by such alternate. All such resolutions shall be described as "Directors' Resolutions" and shall be forwarded or otherwise delivered to the Secretary without delay, and shall be recorded by him in the Company's Minute Book and submitted for confirmation at a meeting of the Board next following the receipt thereof by him. A Directors' Resolution shall be inoperative if it shall purport to authorise or to do any act, which a meeting of the Board has decided shall not be authorised or done, until confirmed by meeting of the Board.

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Secretary

(B) The Secretary shall be appointed by the Directors for such time, at such remuneration and upon such conditions as they may think fit, and any Secretary so appointed may be removed by them. The Directors may from time to time, by resolution appoint an assistant or deputy Secretary.

THE SEAL

Seal to be affixed by authority of

92. Subject as provided in Article 10 with respect to certificates the seal shall not be affixed to any instrument

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Resolution of Board and in the presence of one Director and Secretary
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except by authority of a resolution of the Board of Directors, and in the presence of at least one Director and of the Secretary or such other person as the Directors may appoint for the purpose and such Director and the Secretary or other person as aforesaid shall sign every instrument to which the seal shall be affixed in their presence, and in favour of any person bona fide dealing with the Company such signatures shall be conclusive evidence of the fact that the seal has been properly affixed.

Power to have a seal for use abroad
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93. The Company may exercise the powers conferred by the Act with regard to having an official seal for use abroad, and such powers shall be vested in the Directors. The Company may also have a 'Share Seal' pursuant to Section 101 of the Act.

DIVIDENDS AND RESERVE FUND

Application of profits
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94. Subject to any preferential or other special rights for the time being attached to any special class of shares, the profits of the Company which it shall from time to time be determined to distribute by way of dividend shall be applied in payment of dividends upon the shares of the Company in proportion to the amounts paid up or credited as paid up thereon respectively, otherwise than in advance of calls.

Declaration of dividends
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95. The Directors may, with the sanction of a General Meeting from time to time declare dividends, but no such dividend shall be payable except out of the profits of the Company. The Directors may, if they think fit, from time to time declare and pay to the members such interim dividends as appear to them to be justified by the position of the Company, and may also from time to time, if in their opinion such payment is so justified, pay any preferential dividends which by the terms of issue of any shares are made payable on fixed dates. No higher dividend shall be paid than is recommended by the Directors, and the declaration of the Directors as to the amount of the net profits shall be conclusive.

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(continued)

Directors may form reserve fund and invest

96. The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve fund or reserve funds, which shall at the discretion of the Directors be applicable for meeting contingencies, or for repairing or maintaining any works connected with the business of the Company, or shall, as to the whole or in part, be applicable for equalising dividends, or for distribution by way of special dividend or bonus, or for such other purposes for which the profits of the Company may lawfully be applied as the Directors may think expedient in the interests of the Company, and pending such application the Directors may employ the sums from time to time so set apart as aforesaid in the business of the Company or invest the same in such securities, other than the shares of the Company, as they may select. The Directors may also from time to time carry forward such sums as they may deem expedient in the interests of the Company.

97. The Directors may establish a reserve to be called either "capital reserve" or "realisation account" and shall either carry to the credit of such reserve from time to time all moneys realised on the sale of any investments held by the Company in excess of the then book price of the same or apply the same in providing for depreciation or contingencies. Such capital reserve or realisation account and all other moneys in the nature of accretion to capital, whether on sale of investments held, or otherwise, shall be treated for all purposes as capital moneys and not as profits available for dividend. Any losses realised on the sale of any investments may be carried to the debit of capital reserve or realisation account except in so far as the Directors shall decide to make good the same out of other funds of the Company.

98. The Directors shall be at liberty to invest any sums carried to any reserve account or accounts upon such investments as they think fit, other

than shares of the Company, and from time to time deal with and vary such investments and dispose of all or any part thereof for the benefit of the Company (save as hereinbefore provided) and to divide the ordinary reserve account or accounts into such special accounts as they think fit with full power to employ the assets constituting the ordinary reserve account or accounts in the business of the Company.

EXHIBITS

AB1

Shareholders Agreement between, Industrial & Commercial Bank Ltd., Arthur Lipper International Ltd. and D.F.H. Sinclair Esq.

28th March 1972

(continued)

10

Dividend warrants to be sent to Members by post

99. Every dividend warrant may, unless otherwise directed, be sent by post to the last registered address of the member entitled thereto, and the receipt of the person whose name at the date of the declaration of the dividend appears on the register of members as the owner of any share, or, in the case of joint holders, of any one of such joint holders, shall be a good discharge to the Company for all payments made in respect of such share. No unpaid dividend or interest shall bear interest as against the Company.

20

CAPITALISATION OF RESERVES, ETC.

100. The Company in General Meeting may at any time and from time to time pass a resolution that any sum not required for the payment or provision of any fixed preferential dividend, and (A) being any part of the undivided profits in the hands of the Company or (B) for the time being standing to the credit of any reserve fund or reserve account of the Company, including premiums received on the issue of any shares or debentures of the Company, and/or accretion to capital accruing on sale or shown by a valuation or revaluation of any property or assets of the Company, be capitalised, and that such sum be appropriated as capital to and amongst the ordinary shareholders in the proportions in which they would have been entitled thereto if the same had been distributed by way of dividend on the ordinary shares, and in such manner as the resolution may direct, and such resolution shall be effective, and the Directors shall in accordance with such resolution apply such sum in paying up in full any unissued shares or

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EXHIBITS

AB1

Shareholders Agreement between, Industrial & Commerical Bank Ltd., Arthur Lipper International Ltd. and D.F.H. Sinclair Esq.

28th March 1972

(continued)

debentures of the Company on behalf of the ordinary shareholders aforesaid, and appropriate such shares or debentures and distribute the same credited as fully paid up to and amongst such shareholders in the proportions aforesaid in satisfaction of the shares and interests of such shareholders in the said capitalised sum or shall apply such sum or any part thereof on behalf of the shareholders aforesaid in paying up the whole or part of any uncalled balance which shall for the time being be unpaid in respect of any issued ordinary shares held by such shareholders or otherwise deal with such sum as directed by such resolution. Where any difficulty arises in respect of any such distribution, the Directors may settle the same as they think expedient, and in particular they may issue fractional certificates, fix the value for distribution of any fully paid-up shares or debentures, make cash payments to any shareholders on the footing of the value so fixed in order to adjust rights, and vest any such shares or debentures in trustees upon such trusts for the persons entitled to share in the appropriation and distribution as may seem just and expedient to the Directors. When deemed requisite a proper contract for the allotment and acceptance of any shares to be distributed as aforesaid shall be delivered to the Registrar of Companies for registration in accordance with the Act and the Directors may appoint any person to sign such contract on behalf of the persons entitled to share in the appropriation and distribution and such appointment shall be effective.

ACCOUNTS

Accounts to be kept

101. The Directors shall cause proper accounts to be kept :-

(A) Of the assets and liabilities of the Company

(B) Of all sums of money received and expended by the Company, and the matters in respect of which such receipts and expenditure take place.

(C) Of all sales and purchases of goods by the Company.

EXHIBITS

AB1

Books to be kept at registered office The books of account shall be kept at the office, or at such other place as the Directors shall think fit, and shall always be open to the inspection of the Directors.

Shareholders Agreement between, Industrial & Commercial Bank Ltd., Arthur Lipper International Ltd. and D.F.H. Sinclair Esq.

28th March 1972

(continued)

10 Accounts and books may be inspected by members 102. The Directors shall from time to time determine whether, in any particular case or class of cases, or generally, and to what extent, and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members, and no member (not being a Director) shall have any rights of inspecting any account or book or document of the Company, except as conferred by the Act or authorised by the Directors or by a resolution of the Company in General Meeting.

20 Profit and Loss account to be made up and laid before Company 103. The Directors shall at some date not later than 18 months after the incorporation of the Company and subsequently once at least in every calendar year shall at intervals of not more than fifteen months lay before the Company in Annual General Meeting a duly audited profit and loss account for the period since the preceding account, or (in the case of the first account) since the incorporation of the Company, made up to a date not more than six months before such meeting. A duly audited balance sheet shall also be made out in every year as at the date to which the profit and loss account is made up, and shall be laid before the Company in Annual General Meeting. The said account and balance sheet shall be accompanied by such reports and documents and shall contain such particulars as are prescribed by the Act and the Directors shall in their report state the amount which they recommend to be paid by way of dividend, and the amount (if any) which they propose to carry to any reserve fund. A copy of every profit and loss account and balance sheet including every document required by law to be attached thereto shall be sent to all persons entitled to receive notice of

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EXHIBITS

AB1

Shareholders

Agreement between, Industrial & Commercial Bank Ltd., Arthur Lipper International Ltd. and D.F.H. Sinclair Esq.

28th March 1972

(continued)

such meeting as required by the Act.

AUDIT

104. Once at least in every year the accounts of the Company shall be examined, and the correctness of the profit and loss accounts and balance sheet ascertained by one or more Auditor or Auditors, and the provisions of the Act and any modification or re-enactment thereof for the time being in force in regard to audit and Auditors shall be observed.

10

NOTICES

Service of notices by Company

105. A notice or any other document may be served by the Company upon any member either personally or by sending it through the post in a prepaid letter addressed to such member at his registered address as appearing in the register of members. In the case of a member having a registered address outside of Singapore or Malaysia service shall be effected by prepaid air mail post.

20

How joint holders of shares may be served

106. All notices directed to be given to the members shall, with respect to any share to which persons are jointly entitled, be given to whichever of such persons is named first in the register of members, and any notice so given shall be sufficient notice to the holders of such share.

30

Members abroad not entitled to notices unless they give address

107. Any member described in the register of members by an address not within the Republic of Singapore or Malaysia, who shall from time to time give the Company an address within the Republic of Singapore or Malaysia at which notices may be served upon him, shall be entitled to have served upon him at such address any notice to which he would be entitled under these Articles.

40

Notices in case of death or bankruptcy

108. A notice may be given by the Company to the person entitled to any share in consequence of the death or bankruptcy of a member by sending it through the post in a prepaid letter addressed to them by name or by the title of representatives or trustees of such deceased

or bankrupt member, at the address (if any) supplied for the purpose by such persons as aforesaid, or (until such an address has been supplied) by giving the notice in the manner in which the same would have been given if the death or bankruptcy had not occurred.

EXHIBITS

ABI

Shareholders Agreement between, Industrial & Commercial Bank Ltd., Arthur Lipper International Ltd. and D.F.H. Sinclair Esq.
28th March 1972

(continued)

10 When service effected 109. Any notice or other document, if served or sent by post, shall be deemed to have been served or delivered at the time when the letter containing the same is put into the post, and in proving such service or sending it shall be sufficient to prove that the letter containing the notice or document was properly addressed and put into the post office as a prepaid letter. In the case of air mail post the notice shall be deemed to have been served 8 days after the same is put into the post.

20

WINDING-UP

Distri- 110. If the Company shall be wound up, bution the Liquidators may, with the sanction of of a Special Resolution, divide among the assets members in specie any part of the assets of in the Company, and any such division may be specie otherwise than in accordance with the existing rights of the members, but so that if any division is resolved on otherwise than in accordance with such rights the members shall have the same right of dissent and consequential rights as if such resolution were a Special Resolution passed pursuant to the Act. A Special Resolution sanctioning a transfer or sale to another company duly passed pursuant to the Act may in like manner authorise the distribution of any shares or other consideration receivable by the Liquidators amongst the members otherwise than in accordance with their existing rights, and any such determination shall be binding upon all the members, subject to the right of dissent and consequential rights conferred by the Act.

30

40

INDEMNITY

Indem- 111. Every Director or other officer of the nity Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities (including any such liability as is mentioned in the Act), which he may sustain or incur in or about the

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EXHIBITS

AB1

Shareholders
Agreement
between,
Industrial &
Commercial Bank
Ltd., Arthur
Lipper Inter-
national Ltd.
and D.F.H.
Sinclair Esq.

28th March 1972

(continued)

execution of the duties of his office
or otherwise in relation thereto, and no
such Directors or other officer shall
be liable for any loss, damage or
misfortune which may happen to or be
incurred by the Company in the execution
of the duties of his office or in
relation thereto. But this Article
shall only have effect in so far as its
provisions are not avoided by this Act.

10

NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS

Dated this.....day of.....19.....

Witness to the above Signatures:-

Advocate and Solicitor,
30/35 Chartered Bank Chambers,
Singapore.

THE SECOND SCHEDULE

EXHIBITS

AB1

THIS AGREEMENT is made the day of One thousand nine hundred and seventy-two (1972) Between MERCHANT CREDIT PRIVATE LIMITED a company incorporated in Singapore and having its office at 2, Shenton Way Singapore (hereinafter called "the Company") of the one part and ARTHUR LIPPER INTERNATIONAL LIMITED a company incorporated in the Colony of Hong Kong and having a branch office at 2, Shenton Way Singapore (hereinafter called "ALI") of the other part

Shareholders Agreement between, Industrial & Commercial Bank Ltd., Arthur Lipper International Ltd. and D.F.H. Sinclair Esq
28th March 1972
(continued)

10

WHEREAS the Company has been recently formed in Singapore to carry on business in Singapore for the primary purpose of merchant banking

20

AND WHEREAS ALI has international experience in merchant banking

AND WHEREAS the Company is desirous of engaging ALI to provide managerial services

NOW THEREFORE IT IS HEREBY AGREED as follows :-

30

Managerial Duties

1. The Company hereby engages ALI to provide managerial services and ALI undertakes to use its best endeavours to use its financial experties and experience in locating merchant banking business for the Company and analysing reporting and recommending thereon and generally to carry out all such managerial duties in connection with the merchant banking business and other ancillary functions of the Company as the Board of Directors of the Company may from time to time reasonably require ALI to perform

40

Remuneration

2. In consideration of the services rendered to the Company, the Company will pay to ALI its actual costs incurred in providing the managerial services hereunder plus commission thereon at the rate of five per cent (5%) and ALI will annually prior to the 30th day of April in each year submit an estimate of its budgetted costs for approval by the

EXHIBITS

ABI

Shareholders
Agreement
between,
Industrial &
Commercial Bank
Ltd., Arthur
Lipper Inter-
national Ltd.
and D.F.H.
Sinclair Esq.

28th March 1972

(continued)

Company and within such estimates ALI shall be entitled to include the salary for an individual nominated as manager and such other staff and consultants as may be reasonably required in connection with the provision of the managerial services Provided Always that the consent of the Company shall be required prior to any expenditure in excess of the approved budgetted costs and the Company shall not be obligated to pay any remuneration or commission in respect of any expenditure incurred in excess of the approved budgetted costs without the consent of the Company first having been obtained and Provided Further and Always that the Company shall be at liberty to object to the appointment of any individual as manager or to the appointment of any member of the staff or to the appointment of any Consultant and in the event of any such objection ALI shall not proceed with the appointment to which objection has been taken. In addition to the foregoing the Company shall set aside five per cent of the net profits before income tax to be allocated between ALI and any individual appointed as manager of ALI such allocation to be made in accordance with the directions received from ALI within one month from the issue of the audited accounts of the Company and if no such directions are received within the time aforesaid the total sum shall be paid to ALI. The expression "net profits" shall mean the profits of the Company for the year in question prior to charging any tax or reserve for tax in respect of the profits earned during such year and the certificate by the auditors of the Company for such net profits shall be conclusive.

Period

3. This Agreement shall subsist so long as Arthur Lipper International Limited shall remain a Member of the Company holding no less than twenty-five per cent (25%) of the issued capital of the Company

IN WITNESS WHEREOF the parties hereto have hereunto set their hands

the day and year first above written

EXHIBITS

SIGNED by
for and on behalf of
MERCHANT CREDIT PRIVATE
LIMITED in the presence
of :-

AB1
Shareholders
Agreement
between,
Industrial &
Commerical Bank
Ltd., Arthur
Lipper Inter-
national Ltd.
and D.F.H.
Sinclair Esq.

28th March 1952
(continued)

10

SIGNED by
for and on behalf of
ARTHUR LIPPER INTER-
NATIONAL LIMITED in the
presence of :-

EXHIBITS

AB1

COPY OF MINUTES OF FIRST
DIRECTORS' MEETING OF
MERCHANT CREDIT PTE.LTD.
HELD ON 20th April 1972

EXHIBITS

AB1

Copy of Minutes
of First
Directors'
Meeting of
Merchant Credit
Pte.Ltd. held
on 20th April
1972

20

MINUTES of the First Directors' Meeting
of MERCHANT CREDIT PRIVATE LIMITED held at
Room 425, I.C.B. Building, 2 Shenton Way,
Singapore on Thursday, 20th April, 1972 at
2.30 p.m.

Present :- Mr. Y.K.Hwang (Chairman)
Mr. D.F.H. Sinclair

In Attendance:- Major W.H.Crafter
(Secretary)
Mr. G.C.T.Repton (Turquand,
Youngs & Co.)

72/1 INCORPORATION

30

Mr. Crafter reported that the Company
had been duly incorporated in Singapore and
produced a copy of the Memorandum and Articles
of Association and Certificate of Incorporation

EXHIBITS

AB1
Copy of Minutes
of First
Directors'
Meeting of
Merchant Credit
Pte.Ltd. held
on 20th April
1972

(continued)

dated the 7th April, 1972.

72/2 DIRECTORS

The appointment of :-

Mr. Y.K.Hwang
Mr. D.F.H. Sinclair

as First Directors of the Company pursuant to
Article 68 be and is hereby confirmed.

Mr. Crafter reported that Messrs. Drew
& Napier had already filed the prescribed
return with the Registrar of Companies.

10

72/3 CHAIRMAN

Pursuant to Article 85.

RESOLVED :-

"That Mr. Y.K.Hwang be and he is
hereby appointed as Chairman of the
Board of Directors."

and accordingly he took the chair.

72/4 SECRETARY

RESOLVED :-

"That Major W.H.Crafter be and he is
hereby appointed as Secretary of the
Company."

20

72/5 COMMON SEAL

RESOLVED :-

"That the Seal now produced, an
impression of which appears along the
margin of this minute, be adopted as
the Common Seal of the Company."

72/6 BANKING

RESOLVED :-

"That a Banking Account for the Company
be opened with The Industrial &
Commercial Bank Ltd., Singapore and
that the said Bank be and is hereby
empowered, whether the Company's
Account is in credit or not, to honour
Cheques, Bills of Exchange and

30

Promissory Notes, drawn, accepted or made on behalf of the Company by any two of :-

Mr. Y.K.Hwang
Mr. D.F.H. Sinclair
Major W.H. Crafter

and to act on any instructions and accept any receipts or other documents relating to the account, transactions or affairs of the Company, if so signed on behalf of the Company."

EXHIBITS

AB1

Copy of Minutes of First Directors' Meeting of Merchant Credit Pte. Ltd. held on 20th April 1972

(continued)

10

RESOLVED :-

"That all Cheques, Bills, Promissory Notes and other documents requiring endorsement on behalf of the Company, be endorsed by any two of :-

Mr. Y.K. Hwang
Mr. D.F.H. Sinclair
Major W.H. Crafter

20

on its behalf."

72/7 ALLOTMENT OF SHARES

The Secretary reported that the following application for shares had been received namely :-

Industrial & Commercial Bank Ltd.,	47,499 shares
Arthur Lipper International Ltd., Hong Kong	47,500 shares
Mr. D.F.H. Sinclair	4,999 shares

30

RESOLVED :-

"That such shares be allotted at par for cash, and that the full amount of \$1/- per share be payable on allotment."

ALSO RESOLVED :-

"That the Seal of the Company be affixed to the relevant share certificates and to the certificates for one share each in the names of the two subscribers Messrs. Y.K.Hwang and

40

EXHIBITS

D.F.H. Sinclair."

ABI
Copy of Minutes
of First
Directors'
Meeting of
Merchant Credit
Pte. Ltd. held
on 20th April
1972
(continued)

The Secretary was instructed to file the necessary Return of Allotment.

72/8 TRANSFER OF SHARE

RESOLVED :-

"That the transfer of one share of \$1/- fully paid from Mr. Hwang Yen Kang to the Industrial and Commercial Bank Ltd., be approved; that the old share certificate be cancelled and that the Common Seal of the Company be affixed to the relevant new share certificate."

10

72/9 REGISTERED OFFICE

RESOLVED :-

"That the Registered Office of the Company be hereby declared to be situate at Room 425, I.C.B. Building, 2 Shenton Way, Singapore."

The Secretary reported that the necessary Notice had already been filed with the Registrar of Companies by Messrs. Drew & Napier.

20

72/10 AUDITORS

RESOLVED :-

"That Messrs. Turquand, Youngs & Co., Chartered Accountants, P.A.S., be appointed Auditors of the Company until the First Annual General Meeting of the Company at a remuneration to be hereafter determined."

30

72/11 OFFICE PREMISES LEASE

RESOLVED :-

"That the Company do enter into a lease with the Industrial & Commercial Bank Ltd., of the office premises with power to sub-let to Arthur Lipper International Ltd., Hong Kong."

72/12 MANAGEMENT AGREEMENT WITH ARTHUR LIPPER INTERNATIONAL LTD., Hong Kong

40

Tabled a management agreement between

the Company and Arthur Lipper International Ltd., Hong Kong.

EXHIBITS

AB1

RESOLVED :-

"That this agreement be approved and that Mr. Y.K.Hwang be authorised to sign it on the Company's behalf."

Sd: Y.K. Hwang
CHAIRMAN

Copy of Minutes of First Directors' Meeting of Merchant Credit Pte. Ltd. held on 20th April 1972

(continued)

20th April 1972.

10

EXHIBITS

AB1

COPY OF MINUTES OF DIRECTORS' MEETING OF MERCHANT CREDIT PTE.LTD. HELD ON 3rd May 1972

MINUTES of a Directors' Meeting of MERCHANT CREDIT PTE. LTD. held at Room 1829 of Hotel Shangri-law, Singapore on Wednesday, 3rd May, 1972.

EXHIBITS

AB1

Copy of Minutes of Directors' Meeting of Merchant Credit Pte.Ltd. held on 3rd May 1972

20

Present :- Mr. Y.K.Hwang (who presided)
Mr. D. Sinclair

By Invitation:- Mr. William H.Crafter
Mr. Arthur Lipper III

1. Directorate

Resolved :-

"That Mr. William H.Crafter, Managing Director of Arthur Lipper International Ltd., be and is hereby elected a Director of the Company."

30

2. Increase of Authorised Capital

Resolved :-

"That an Extraordinary General Meeting be convened immediately after the present meeting for the purpose of passing an

EXHIBITS

AB1

Copy of Minutes
of Directors'
Meeting of
Merchant Credit
Pte. Ltd. held
on 3rd May
1972

(continued)

ordinary resolution to increase the
authorised capital to S\$1,000,000/-."

3. Allotment of Shares

Resolved :-

"That subject to the ordinary
resolution to increase the authorised
capital being passed 200,000 new shares
of \$1.00 each be allotted at par for cash
to the following :-

<u>Name</u>	<u>No. of Shares</u>	10
Arthur Lipper Inter- national Ltd.	95,000	
The Industrial & Commercial Bank Ltd.	95,000	
Donald Frank Harvey Sinclair	<u>10,000</u>	
	<u>200,000</u>	

That the Common Seal of the Company
be affixed to the relevant new share
certificates."

20

4. Purchase of shares in Chequers Pte. Ltd.

Resolved :-

"That the action of Mr. Y.K.Hwang in
contracting for the purchase of 124,000
shares representing 80% of the 155,000
shares outstanding of Chequers Pte. Ltd.
on terms as described in the attached
letter of agreement between Mr. Lim Koon
Teck and Mr. Hwang be approved."

5. Financing of certain properties at Bukit
Tunggal or Thomson Road

30

The Board voted against participating
in the financing of certain properties
located at Bukit Tunggal or Thomson Road
for which Mr. William Goei had development
plans. It was believed that the scope of
the project exceeded both the capabilities
of the Company and the needs of the area
at the present time.

6. Possible joint venture with Patine Shokai

40

It was agreed that Mr. Arthur Lipper

10 III would negotiate with Mr. Ohashi and Mr. Ozaki of Patine Shokai with a view towards the establishment of a joint venture relationship in the construction and operation of an ice skating facility to be established on the property at 418 Thomson Road, Singapore (Chequers Hotel). It was further agreed that the basis for the relationship with Patine Shokai should be left to the discretion of Mr. Lipper with however the intent of achieving something approaching a 70/30 equity or profit sharing agreement.

EXHIBITS

AB1

Copy of Minutes of Directors' Meeting of Merchant Credit Pte. Ltd. held on 3rd May 1972

(continued)

The arrangement suggested to Patine Shokai on May, 1972 and which appeared to be acceptable, though no formal approval had been received, was as follows :-

20 "Patine Shokai invests in Singapore ice skating rink by purchasing 33% of company for 33% of the cost of the project, currently estimated to be S\$2.4 million. Patine to pay S\$300,000 in cash and Arthur Lipper International Ltd. agrees to arrange for Patine to borrow the remaining estimated S\$500,000 for 5 years at 2% over average 12 month Asian dollar rate. Patine to pledge shares as security for loan. Chequers to charge ice skating company S\$1,250 monthly rent. Patine to be reimbursed for direct expenses. In the event Patine decides not to invest, they agree to act as technical advisor and manage the rink for direct cost plus 5% of profit for 5 years. Patine agrees to commence immediately with all required plans for submission to local Singapore architect and Singapore authorities."

40 Although Arthur Lipper International Ltd. would, if Patine accepted, provide approximately S\$500,000 in credit to Patine, it was suggested that more appropriately the Company should do so.

7. Excess funds of Company

50 It was approved that the Company's excess funds be invested in short term high quality interest bearing investments or deposits at the discretion of Mr. Crafter.

EXHIBITS

AB1

Copy of Minutes
of Directors'
Meeting of
Merchant Credit
Pte. Ltd. held
on 3rd May
1972

(continued)

8. Draft proposal re Gemini Chit Fund

It was approved that a tentative proposal be made to Gemini Chit Fund Corp. as regards the provision by the Company of S\$20,000,000 on terms outlined in the draft proposals tabled.

9. Joint venture with Guthrie Waugh

It was agreed in principle that the Company should attempt to join with Guthrie Waugh in the establishment of a collateral control company providing services similar to those of Lawrence Systems Inc. on the basis whereby the Company would hold a 25% interest in the Company to be established with Guthrie Waugh holding a 75% interest.

10

10. Loans to clients of K.S.Sivan

(a) It was agreed in principle that the Company would provide a loan of S\$5,000,000 to a client of Mr. K.S.Sivan for a period of 5 years at an interest rate of 9.5% or 2% over the 21 month Asian dollar rate whichever should be greater. Interest to be paid would, if necessary, be adjusted semi-annually. A 2% service charge was to be retained by the Company. 3% of the 5% service fee charged at the time of the loan being made was to be paid to Mr.Sivan, all the above being subject to a binding contract drawn in favour of the Company from an acceptable Bank (UOB had been mentioned as being acceptable to the Company) requiring the purchase of the S\$5,000,000 note at maturity at face value and a simple bank guarantee as to interest payments.

20

30

(b) The Directors approved in principle a loan of US\$5,000,000 to a client of Mr. Sivan at a simple annual interest rate of 12% for 5 years backed by an unconditional guarantee of the Bank Bumi Daya and the Bank of America.

40

Sd: Y.K.Hwang
CHAIRMAN

3rd May, 1972.

EXHIBITS

AB1

COPY OF MINUTES OF EXTRA-
ORDINARY GENERAL MEETING OF
MERCHANT CREDIT PTE. LTD.
HELD ON 3rd May 1972

EXHIBITS

AB1

Copy of Minutes
of Extraordin-
ary General
Meeting of
Merchant Credit
Pte.Ltd. held
on 3rd May
1972

10 MINUTES of an Extraordinary General
Meeting of MERCHANT CREDIT PTE. LTD. held on
Wednesday, 3rd May 1972 at 2.30 p.m. at the
Shangri-law Hotel, Room 1829, Singapore.

Present :- Mr. Y.K.Hwang (Chairman, proxy
for Industrial & Commercial
Bank Ltd.)
Mr. Arthur Lipper III (Proxy
for Arthur Lipper
International Ltd.)
Mr. D.F.H. Sinclair
Major William H.Crafter
(director and secretary)

20 All the shareholders had unanimously agreed
in writing to the transaction of business as
detailed in the Notice convening the Meeting,
notwithstanding that the prescribed notice had
not been given.

INCREASE OF AUTHORISED CAPITAL

RESOLVED :-

30 "That the authorised capital of the
company be and is hereby increased to
\$1,000,000 divided into 1,000,000 shares of
\$1/- each by the creation of 900,000 shares
of \$1/- each to rank pari passu as regards
dividends and in all other respects with
the original shares of the Company."

Sd: Y.K.Hwang
CHAIRMAN

3rd May, 1972.

EXHIBITS

AB1

Memorandum from
W.H.Crafter to
Y.K.Hwang and
D.F.H.Sinclair

26th April
1973

EXHIBITS

AB1

MEMORANDUM FROM W.H. CRAFTER
TO Y.K. HWANG AND D.F.H.SINCLAIR

MERCHANT CREDIT PRIVATE LIMITED

Industrial & Commercial
Bank Building,
2, Shenton Way,
Singapore, 1.

Telephone: 94261/2/3

10

26th April, 1973

To: Mr. Y.K.Hwang, Mr. D.F.H.Sinclair

From: W.H.Crafter

Subject: Ice Skating Equipment.

MCPL has agreed to purchase the Ice skating equipment presently held in Malaysia by Genting Highlands Bhd. for the price of \$585,851, this being the cost to Genting for the equipment, duty, freight and insurance. We will not pay storage charges of \$11,952 up to 13 April but we will be paying storage charges with effect from that date.

20

I have agreed that payment for this equipment will be made during the course of next week and will amount to \$278,279.22 for I.C.B. and A.L.I. and \$29,292.56 for Don Sinclair. This can be paid in either as loan or equity and I will contact you further regarding your feeling about this.

It is obvious of course that we have not arranged any financing on either the equipment or the land and I would like you to tell me whether you wish me to do this.

30

W.H.Crafter

Sd: Bill

EXHIBITS

AB1

MEMORANDUM FROM W.H.CRAFTER
TO Y.K.HWANG AND D.F.H.
SINCLAIR

EXHIBITS

AB1

Memorandum
from W.H.
Crafter to
Y.K.Hwang and
D.F.H.Sinclair

26th April
1973

MERCHANT CREDIT PRIVATE LIMITED

Industrial & Commercial
Bank Building,
2, Shenton Way,
Singapore 1.

Telephone: 94261/2/3

26 April, 1973

To: Mr. Y.K.Hwang, Mr. D.F.H. Sinclair
From: W.H.Crafter
Subject: Land Purchase - K.L.

We have agreed to pay \$10,000 for an option on the land behind Taylors College. It consists of 86,654 sq.ft. and is freehold. The price is \$8. per sq.ft. with \$10,000 which has been paid today for the option, \$163,000 within one week, \$173,308 within one month and the balance of \$346,616 in three months. Total purchase price is \$693,232. I have asked our attorney (and finder) to negotiate what price the seller would accept if the full purchase price is paid in one week.

We therefore have a maximum requirement from the shareholders of MCPL for a loan or increase in capital as follows :

I.C.B.	\$329,285.20
A.L.I.	329,285.20
D.F.H.S.	<u>34,661.60</u>
	<u>\$693,232.00</u>

If UDA came in we will have a smaller requirement and I will let you know as soon as possible.

William H.Crafter

Sd: Bill

EXHIBITS

AB1

Copy Minutes of
Extraordinary
General Meeting
of Merchant
Credit Pte.Ltd.
held on 20th
June 1973

EXHIBITS

AB1

COPY MINUTES OF EXTRAORDINARY
GENERAL MEETING OF MERCHANT
CREDIT PTE. LTD. HELD ON
20th June 1973

MERCHANT CREDIT PRIVATE LIMITED

Industrial & Commercial
Bank Building,
2, Shenton Way,
Singapore, 1.

10

Telephone: 94261/2/3

Minutes of an Extraordinary General Meeting of
the Company held on Wednesday, 20 June 1973 at
2.30 pm at Room 425 ICB Building, Shenton Way
Singapore.

Present: Mr. Y.K.Hwang
(Chairman, Representative for
ICB Ltd.)

Mr. D.F.H. Sinclair

20

Mr. William H.Crafter
(Director & Secretary)

All the shareholders had unanimously agreed and
approved the transaction of business as detailed
in the Notice covering the meeting, notwith-
standing that the prescribed notice had not been
given.

1. Increase of Authorised Capital

"That the authorised capital of the Company
be and is hereby increased from \$1,000,000
to \$2,000,000 divided into 1,000,000 shares
of \$1/- each to rank pari passu as regards
dividends and in all other respects with
the original shares of the Company".

30

2. Appointment of Auditors

"That M/S. Peat, Marwick Mitchell & Co. be
appointed as the Company's auditor for the
year 1973 and that the remuneration to be
fixed by the Directors, so as to be in line
with Arthur Lipper International Ltd. who
owns 47½% of the Company's share and it
could facilitate the audit of the accounts

40

in regard to their Investments involved
in this Company."

EXHIBITS

AB1

3. Acceptance of M/S. Turquand Young & Co.'s
resignation as auditor of the Company

Copy Minutes of
Extraordinary
General Meeting
of Merchant
Credit Pte. Ltd.
held on 20th
June 1973

To accept with regrets the resignation from
M/S. Turquand Young & Co. as the auditor
of this Company and to record our apprecia-
tion for their services rendered to this
Company.

(continued)

10

Sd: Y.K.Hwang
Mr.Y.K.Hwang
Chairman

Sd: D.F.H.Sinclair
Mr. D.F.H.Sinclair
Director

Sd: William H.Crafter
Mr. William H.Crafter
Secretary

EXHIBITS

AB1

Letter from
Industrial &
Commercial
Realty Co.Ltd.
to Merchant
Credit Pte.Ltd.
applying
332,500 shares
in Merchant
Credit Pte.Ltd.
and enclosing
cheque for
\$332,500/-

28th June 1973

EXHIBITS

AB1

LETTER FROM INDUSTRIAL &
COMMERCIAL REALTY CO.LTD.
TO MERCHANT CREDIT PTE.LTD.
APPLYING 332,500 shares IN
MERCHANT CREDIT PTE.LTD. AND
ENCLOSING CHEQUE FOR \$332,500/-

THE INDUSTRIAL & COMMERCIAL REALTY CO.LTD.
Mezz Floor ICB Building 2, Shenton Way,
Singapore 1 Tel: 994263

10

Our ref: RL/A-4337

28th June, 1973

Merchant Credit Pte.Ltd.,
ICB Building,
Singapore.

Dear Sirs,

Re: 332,500 Shares of \$1/- each
in your Company

We hereby apply for the above Shares and
enclose herewith our cheque for \$332,500/- in
payment.

20

Kindly acknowledge receipt.

Yours faithfully,

For THE INDUSTRIAL & COMMERCIAL REALTY CO.LTD.

Sd:

Secretary

OBK/wyh

Photostat copy to M/S. Chor Pee & Hin Hiong
on 14.3.77 in connection with Suit No.
1413 of 1976.

30

EXHIBITS

ABI

OFFICIAL RECEIPT OF MERCHANT
CREDIT PTE.LTD. MADE IN FAVOUR
OF INDUSTRIAL & COMMERCIAL
REALTY CO.LTD. ACKNOWLEDGING
THE SUM OF \$332,500/- IN PAYMENT
OF APPLICATION OF 332,500 SHARES

MERCHANT CREDIT PRIVATE LIMITED

10

Industrial & Commercial Bank
Building,
2, Shenton Way, Singapore 1.
Telephone: 94261/2/3
Telex: RS21

Date: 28 JUN 1973

OFFICIAL RECEIPT

Serial No. M 515

20

Received from The Industrial & Commercial
Realty Co. S'pore the sum of Three hundred
thirty-two thousand five hundred only
in payment of application for 332,500 shares of
\$1/- each.

\$332,500/-

Revenue
Stamp.

Sd:

For Merchant Credit
Private Limited

EXHIBITS

ABI

Official
Receipt of
Merchant Credit
Pte.Ltd. made
in favour of
Industrial &
Commercial
Realty Co.Ltd.
acknowledging
the sum of
\$332,500/- in
payment of
application of
332,500 shares
28th June 1973

EXHIBITS

AB1

Accounts of
Merchant Credit
PteLtd. for
year ended
31st March
1974

EXHIBITS

AB1

ACCOUNTS OF MERCHANT CREDIT
PTE.LTD. FOR YEAR ENDED
31st MARCH 1974

MERCHANT CREDIT PRIVATE LIMITED

(Incorporated in the Republic of Singapore)

ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 1974

PEAT, MARWICK, MITCHELL & CO.

CHARTERED ACCOUNTANTS
PUBLIC ACCOUNTANTS, SINGAPORE.

10

MERCHANT CREDIT PRIVATE LIMITED
(Incorporated in the Republic of Singapore)

EXHIBITS

AB1

Accounts of
Merchant Credit
Pte. Ltd. for
year ended
31st March
1974

(continued)

REPORT OF THE DIRECTORS

Your directors have pleasure in submitting the accounts of the company for the year ended 31st March 1974.

Principal Activities

10 The principal activities of the company in the course of the financial year have been those relating to merchant banking business, underwriters, financiers and promotion and establishment of companies. There have been no significant changes in such activities during the year.

<u>Accounts</u>	<u>1974</u> \$	<u>1973</u> \$
Loss/(profit) for the year after taxation	188,191	(14,382)
Deduct:		
20 Exceptional item - Provision for diminution in value of shares in a subsidiary no longer required	<u>8,445</u>	<u>8,445</u>
	179,746	(5,937)
Unappropriated profit brought forward	<u>5,937</u>	<u>-</u>
Accumulated loss/(profit) carried forward	<u>\$173,809</u>	<u>\$(5,937)</u>

30 Since the end of the last financial period, no dividend has been paid in respect of that period. No dividend has been paid or is proposed to be paid in respect of the year under review.

In our opinion, the results of the company's operations have not been affected by any item, transaction or event of a material and unusual nature.

40 In arriving at the result of the year, we have taken reasonable steps in ascertaining and satisfying ourselves that all known bad debts have been written off and that adequate provision has been made for doubtful debts. Reasonable steps have also been taken to ensure

EXHIBITS

AB1

Accounts of
Merchant Credit
Pte. Ltd. for
year ended
31st March
1974

(continued)

that all current assets which are unlikely to realise their book value in the ordinary course of business have been written down to an amount which they may be expected to realise.

Increase in Authorised Capital

The authorised capital of the company has been increased to \$2,000,000 by the creation of 1,000,000 ordinary shares of \$1 each to rank pari passu with the existing shares.

Directorate

10

The present members of the board of directors are as follows :-

William Henry Crafter
Hwang Yen Kang
Donald Frank Harvey Sinclair

Directors' Interests in Contracts

At no time during the year ended 31st March 1974 was the company a party to any arrangements to enable your directors to acquire benefits by means of the acquisition of shares in or debenture of the company or any other body corporate.

20

Since the end of the previous financial period, no director has received or become entitled to receive a benefit by reason of a contract made by the company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

Directors' Interests in Shares

30

Particulars of beneficial interests of directors and their immediate families in shares in the company, according to the register kept by the company for the purposes of section 134 of the Companies Act, Cap.185 are as follows :-

<u>Name of Director</u>	<u>Ordinary shares of \$1 each</u>	
	<u>At 1.4.1973</u>	<u>At 31.3.1974</u>
William Henry Crafter	--	-
Hwang Yen Kang	-	-
Donald Frank Harvey Sinclair	15,000	15,000

40

None of the directors have any beneficial interests in shares in the relate corporations.

EXHIBITS

AB1

Contingent Liabilities

No contingent liability or other liability has become enforceable or is likely to become enforceable within the succeeding period of twelve months which will materially affect the ability of the company to meet the obligations when they fall due.

Accounts of Merchant Credit Pte.Ltd. for year ended 31st March 1974

(continued)

10 At the date of this report there are no contingent liabilities which have arisen since 31st March 1974.

Other Statutory Information

No assets of the company have been charged since the end of the financial year to secure the liabilities of any other person.

20 At the date of this report, we are neither aware of any circumstances which would render the values attributable to current assets in the accounts misleading.

No item, transaction or event of a material and unusual nature which in our opinion is likely to affect substantially the results of the company's operations has arisen since 31st March 1974.

There are no circumstances not otherwise dealt with in their report and the accounts which would render any amount stated in the accounts misleading.

30 General

40 Subsequent to 31st March 1974, Malaysian Recreation Company Sdn.Bhd., a subsidiary, received an offer of \$12 per square foot for a block of land in Kuala Lumpur. This offer was turned down due to the tax charge that would result under the Land Speculation Tax Act, 1974. Had the offer been accepted, a pre-tax profit of \$340,066 or \$170,033 after tax would accrue to this subsidiary, of which 76% is the holding company's share.

The company has a three-year financial consulting contract with the management of the Imperial Securities International Limited under which a fee of \$300,000 is payable to the company. Of this amount, \$125,000 has been

EXHIBITS

AB1

Accounts of
Merchant Credit
Pte. Ltd. for
year ended
31st March
1974

(continued)

received as at 31st March 1974, and \$75,000 has been received subsequent to 31st March 1974, leaving a balance of \$100,000.

In consideration for guaranteeing overdraft facilities and rendering financial and managerial advice as and when requested by Home Beautifying Service Private Limited, the company is entitled to receive, during the period of the guarantee, an annual management fee of 40% of the annual profits, before tax, of Home Beautifying Service Private Limited. 10

Auditors

The auditors, Messrs. Peat, Marwick, Mitchell & Co., Chartered Accountants and Public Accountants, Singapore, have indicated their willingness to accept re-appointment.

On behalf of the Board

Sd: William Crafter
Director

Sd: Y.K.Hwang
Director

20

SINGAPORE

20 DEC 1974

MERCHANT CREDIT PRIVATE LIMITED

(Incorporated in the Republic of Singapore)

STATEMENT BY DIRECTORS

We, HWANG YEN KANG and WILLIAM HENRY CRAFTER, being directors of MERCHANT CREDIT PRIVATE LIMITED do hereby state that in our opinion the accompanying profit and loss account and balance sheet are drawn up so as to give a true and fair view of the results of the business of the company for the year ended 31st March 1974, and of the state of affairs of the company as at that date. 30

Signed on behalf of the Board of
Directors

Sd: Y.K.Hwang Director

Sd: William Crafter Director

SINGAPORE
20 DEC 1974

STATUTORY DECLARATION

EXHIBITS

10 I, WILLIAM HENRY CRAFTER, director of
MERCHANT CREDIT PRIVATE LIMITED do solemnly
and sincerely declare that the accompanying
balance sheet and profit and loss account
are, to the best of my knowledge and belief,
correct. And I make this solemn declaration
conscientiously believing the same to be true
and by virtue of the provisions of the
Statutory Declarations Act 1835.

ABI
Accounts of
Merchant Credit
Pte. Ltd. for
year ended
31st March
1974
(continued)

Declared at in the)
Republic of Singapore) Sd: William H. Crafter
this 20th day of December) Director
1974

Before me:

Sd: R. Ratnam
Commissioner of Oaths

20 PEAT, MARWICK, MITCHELL & CO.
Chartered Accountants
Public Accountants, Singapore

MARITIME BUILDING
SINGAPORE.
P.O. BOX 448

TELEPHONE: 96283
TELEGRAMS: VERITATEM, SINGAPORE

MERCHANT CREDIT PRIVATE LIMITED
(Incorporated in the Republic of Singapore)

REPORT OF THE AUDITORS TO THE
MEMBERS

30 In our opinion:

- (a) the accompanying balance sheet and profit
and loss account are properly drawn up in
accordance with the provisions of the
Companies Act, Cap. 185 and so as to give
a true and fair view of:
 - (i) the state of affairs of the company
as at 31st March 1974 and of the
results of the company for the year

EXHIBITS

ABI
Accounts of
Merchant Credit
Pte. Ltd. for
year ended
31st March
1974
(continued)

ended on that date; and

- (ii) the other matters required by section 169 of that Act to be dealt with in the accounts.
- (b) the accounting and other records, and the registers required by that Act to be kept by the company have been properly kept in accordance with the provisions of that Act.

Sd: Peat, Marwick, Mitchell & Co.
CHARTERED ACCOUNTANTS
PUBLIC ACCOUNTANTS, SINGAPORE.

10

SINGAPORE

23 DEC 1974

MERCHANT CREDIT PRIVATE LIMITED

(Incorporated in the Republic of Singapore)

BALANCE SHEET AS AT 31ST MARCH 1974

<u>1973</u>		\$	\$
	SHARE CAPITAL		
	Authorised:		
1,000,000	Ordinary shares of \$1 each	2,000,000	20
	Issued and fully paid:		
300,000	Ordinary shares of \$1 each		300,000
5,937	PROFIT AND LOSS ACCOUNT -		(173,809)
	(adverse balance)		
<u>\$305,937</u>			<u>\$126,191</u>
	Representing:		
22,068	FIXED ASSETS (note 1)		605,712
	SUBSIDIARY COMPANIES (note 2)		
155,000	Shares at cost	547,000	
<u>100,000</u>	Amounts owing	<u>151,893</u>	30
255,000		698,893	
	Less:		
8,445	Provision for diminution in		
	value of shares	-	
<u>246,555</u>			<u>698,893</u>

246,555		698,893	<u>EXHIBITS</u>
	INVESTMENTS at cost		ABI
-	Unquoted shares in corporations (note 3)	94,673	Accounts of Merchant Credit Pte. Ltd. for year ended 31st March 1974
16,608	PROJECT DEVELOPMENT at cost	-	(continued)
	CURRENT ASSETS		
10	Loan advance less provision for doubtful debts \$217,000 (1973: \$NIL)	3,000	
-	Trade debtors	25,900	
50,000	Other debtors, deposits and prepayments	9,766	
8,364	Cash on deposit and at bank	141,503	
31,322			
<u>89,686</u>		<u>180,169</u>	
20	Less:		
	CURRENT LIABILITIES		
61,330	Arthur Lipper International Limited	1,075,412	
-	The Industrial and Commercial Realty Co.Ltd.	332,500	
1,500	Other creditors	6,440	
10,800	Provisions for income tax	43,554	
30		<u>1,457,906</u>	
16,056	NET CURRENT ASSETS/ (LIABILITIES)	(1,277,737)	
	EXPENDITURE CARRIED FORWARD at cost		
4,650	Preliminary expenses	4,650	
<u>\$305,937</u>		<u>\$126,191</u>	

The annexed notes form an integral part of and should be read in conjunction with these accounts.

EXHIBITSMERCHANT CREDIT PRIVATE LIMITED

AB1

(Incorporated in the Republic of Singapore)

Accounts of
Merchant Credit
Pte. Ltd. for
year ended
31st March
1974PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED
31ST MARCH 1974

(continued)

<u>1973</u>		\$	\$	\$
(25,182)	LOSS/(PROFIT) FOR THE YEAR before taxation			152,918
	AFTER CHARGING:			10
1,500	Auditors' remunera- tion	2,500		
2,452	Depreciation of fixed assets	2,207		
383	Hire of equipment	1,374		
6,839	Rent	6,654		
-	Provision for doubtful debts	217,000		
-	Project development expenses written off	21,896		20
	TAXATION			
10,800	Provision for the year (note 5)	36,000		
-	Overprovision in respect of prior year	727		
<u>10,800</u>				<u>35,273</u>
(14,382)	LOSS/(PROFIT) after taxation			188,191
	Less:			
	EXCEPTIONAL ITEM			
	Provision for diminution in value of shares in a subsidiary no longer required			30
<u>8,445</u>				<u>8,445</u>
(5,937)				179,746
	UNAPPROPRIATED PROFIT brought forward			5,937
<u>-(5,937)</u>				<u>\$173,809</u>

The annexed notes form an integral part
of and should be read in conjunction
with these accounts.

MERCHANT CREDIT PRIVATE LIMITED

(Incorporated in the Republic of Singapore)

NOTES ON THE ACCOUNTS - 31ST MARCH 1974

These notes form an integral part of and should be read in conjunction with the accompanying accounts.

EXHIBITS

AB1

Accounts of Merchant Credit Pte. Ltd. for year ended 31st March 1974

(continued)

1. FIXED ASSETS

10	Cost	1974	
		Accumulated Depreciation	
	\$	\$	\$
Ice skating equipment	585,851	-	585,851
Furniture and equipment	13,089	2,487	10,602
Fixtures and fittings	11,431	2,172	9,259
	<u>\$610,371</u>	<u>\$4,659</u>	<u>\$605,712</u>

20		1973	
Furniture and equipment	13,089	1,309	11,780
Fixtures and fittings	11,431	1,143	10,288
	<u>\$24,520</u>	<u>\$2,452</u>	<u>\$22,068</u>

2. NAME OF SUBSIDIARIES

	Place of Incorporation	Percentage Held	Shares At Cost
30	Chequers (Private) Limited - see below	Singapore	80% \$155,000
	Malaysian Recreation Co. Sdn. Bhd.	Malaysia	76% <u>392,000</u>
			<u>\$547,000</u>

The investment in Chequers (Private) Limited was sold for \$238,200 subsequent to 31st March 1974.

EXHIBITS

ABI
Accounts of
Merchant Credit
Pte. Ltd. for
year ended
31st March
1974
(continued)

3. INVESTMENTS AT COST

<u>Corporation</u>	<u>Cost of Unquoted Shares</u>
	\$
Shenton Travel Associates	39,000
Singapore Ice Skating Centre Pte. Ltd.	55,554
British and Eastern (Malaysia) Ltd.	<u>119</u>
	<u>\$94,673</u>

10

4. CONTINGENT LIABILITIES

There are contingent liabilities in respect of guarantees given in the normal course of the business amounting to \$556,500 as at 31st March 1974 (1973: \$NIL).

5. TAXATION

A provision for tax has been made in respect of the year to 31st March 1974 on the basis that a claim for deduction of losses may arise at a future date but that provisions against such losses during the year will not be allowable until the final terms on which settlement may be made are determined.

20

6. COMPARATIVE FIGURES

The comparative figures have been adjusted, where necessary, to effect a proper comparison.

30

MERCHANT CREDIT PRIVATE LIMITED

EXHIBITS

(Incorporated in the Republic of Singapore)

A11

DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR

Accounts for
Merchant Credit
Pte. Ltd. for
year ended
31st March 1974

ENDED 31ST MARCH 1974

(continued)

	<u>1973</u>			
	\$		\$	\$
		INCOME		
		Underwriting and finan-		
	110,000	cial service fees	208,961	
10	1,703	Interest income	53,065	
	6,800	Management fee	<u>7,200</u>	
	118,503			269,226
		Less:		
		EXPENDITURE		
	39,479	Management fee	54,366	
	6,839	Rent	6,654	
	4,553	Insurance	4,940	
	-	Interest	70,906	
	1,500	Audit Fee	2,500	
20	2,017	Legal and professional fees	7,200	
	2,671	Stationery and office expenses	5,068	
	1,799	Postages	966	
	-	Storage charges	19,395	
	6,002	Telephone and telex	1,038	
	768	Travelling expenses	400	
	651	Entertainment	1,263	
	383	Hire of equipment	1,374	
30	2,452	Depreciation	2,207	
	262	Repairs and maintenance	66	
	585	Accommodation	304	
	-	Project development expenses written off	21,896	
	23	Bank charges	165	
	-	Provision for doubtful debts	217,000	
	18,000	Commission paid	-	
	5,337	Miscellaneous expenses	<u>4,436</u>	
40	<u>93,321</u>			<u>422,144</u>
	<u>\$ (25,182)</u>	LOSS/(PROFIT) FOR THE YEAR		<u>\$152,918</u>

EXHIBITS

AB1

Letter from
Arthur Lipper
III to Y.K.
Hwang

19th December
1974

EXHIBITS

AB1

LETTER FROM ARTHUR LIPPER
III TO Y.K. HWANG

ARTHUR LIPPER INTERNATIONAL LTD.

Industrial & Commercial Bank
Buildings,
2, Shenton Way, Singapore 1
Tel: 94761/2/3
Telex: RS 21058
Cable: ARTLIPPER

URGENT
To Dr. Tan

10

19th December 1974

Mr. Y.K.Hwang
The Industrial & Commercial
Bank Ltd.,
2, Shenton Way,
Singapore 1.

Dear Y.K.

Enclosed herewith please find an unaudited
Merchant Credit Pte.Ltd. (MCPL) balance sheet
and profit and loss statement for the period
ending 30th September 1974.

20

As you will note the net capital of MCPL is
reflected at \$123,762.50 or \$0.41 per share. I
believe the ultimate liquidating value of the
Company may be substantially in excess of par
value due to the fact that assets and liabilities
of the Company are, and have been, reflected most
conservatively.

30

Also as reported to you, attorneys for Goldhill
Properties Pte. Ltd. have recently indicated a
willingness to accelerate all remaining payments
due MCPL for the shares of Chequers Pte. Ltd.
This payment, when made, will add an additional
\$83,200 to the value of MCPL above the \$123,762.50
shown on the 30th September 1974 balance sheet.

We will forward to you in the next day or so the
Peat Marwick Mitchell financials for the period
ending 31st March 1974.

40

In response to your request for an indication as
to the basis on which Arthur Lipper International
Ltd. (ALI) would be willing to purchase the
shares of MCPL held by Industrial & Commercial
Bank, as well as to terminate all other obligations

and liabilities, we propose the following :

EXHIBITS

1. ALI will purchase from Industrial & Commercial Bank all 142,500 MCPL shares held at Industrial & Commercial Bank's cost of \$1.00 per share.
2. ALI will indemnify Industrial & Commercial Bank (and Industrial & Commercial Realty Co.Ltd.) against any loss or liability relating to its prior association with MCPL.
3. MCPL shall upon the closing return to Industrial & Commercial Bank Realty \$332,500 held in the share application account, but reflected on the balance sheet as a loan.
4. Industrial & Commercial Bank (and Industrial & Commercial Realty) shall release MCPL from any obligations not specifically itemized.

ABI
Letter from
Arthur Lipper
III to Y.K.
Hwang
19th December
1974

10

20

This offer shall be valid until 23rd December 1974, with a closing contemplated within 30 days thereof, should Industrial & Commercial Bank wish to accept.

Sincerely,

Sd: Arthur Lipper

Arthur Lipper III
Chairman

EXHIBITS

AB1

Letter from
Y.K.Hwang to
Arthur Lipper
III

30th December
1974

EXHIBITS

AB1

LETTER FROM Y.K.HWANG TO
ARTHUR LIPPER III

Reference: ICB

THE INDUSTRIAL & COMMERCIAL
BANK LIMITED

2 Shenton Way,
Singapore 1
P.O.Box 1750
Telephone:7311711
Cable: "INDCOMBANK"
Telex: INDCOMB
RS21112

10

Our ref:E/YKH/0071

Mr.Arthur Lipper III,
M/s. Arthur Lipper International Ltd.,
Room 425, ICB Building,
2, Shenton Way,
Singapore 1

Dear Arthur,

I thank you for your letter of 19th December,
1974, and the enclosures therein.

20

I refer to our conversation on the 23rd
December, 1974, wherein we have mutually agreed
to the sale and purchase of all 142,500 Merchant
Credit Pte.Ltd.'s shares held by The Industrial
& Commercial Bank Ltd. by Arthur Lipper Inter-
national Ltd. on the following terms :-

1. The selling price is \$192,500/- for the
142,500 shares, payable on 23rd January,
1975.
2. Arthur Lipper International Ltd. will
indemnify The Industrial & Commercial
Bank Ltd. (and The Industrial &
Commercial Realty Co.Ltd.) against any
loss or liability relating to its prior
association with Merchant Credit Pte.Ltd.
3. Merchant Credit Pte.Ltd. shall, on the
23rd January, 1975, return to The
Industrial & Commercial Realty Co.Ltd.
the sum of \$332,500/- held in the share
application account, but reflected on
the balance sheet as a loan.

30

40

Please confirm that the above terms are in order.

EXHIBITS

AB1

Yours sincerely,
Sd: Y.K.Hwang
Y.K. Hwang
Chief Executive Director

Letter from
Y.K.Hwang to
Arthur Lipper
III

30th December
1974

(continued)

YKH/jl

EXHIBITS

AB1

Letter from
Arthur Lipper
III to C.H.Hsu,
General Manager
of Industrial
& Commercial
Bank Ltd.

2nd January
1975

10

LETTER FROM ARTHUR LIPPER
III TO C.H.HSU, GENERAL
MANAGER OF INDUSTRIAL &
COMMERCIAL BANK LTD.

ARTHUR LIPPER INTERNATIONAL LTD.

Industrial & Commercial Bank
Building,
2, Shenton Way, Singapore 1
Tel: 94261/2/3
Telex: RS 21058
Cable: ARTLIPPER

20

2nd January, 1975

Mr. C.H.Hsu,
General Manager,
Industrial & Commercial
Bank Ltd.,
2, Shenton Way,
Singapore 1.

YK PLT CH BK HY SL Ref.No.
255

Date 13 JAN 1975
Recd.

Action
Information
File

30

Dear Sir,

In response to the letter of 30th December, 1974 from Mr. Y.K.Hwang we confirm paragraphs 1 and 3 as being that which was discussed. However, we did not agree, nor will we do so, to any indemnification of ICB (or ICR), except as a matter of mutual exchange.

I would also ask that you understand that we were under no obligation whatsoever to accommodate the reflected desire of ICB to withdraw

EXHIBITS

AB1

Letter from
Arthur Lipper
III to C.H.Hsu,
General Manager
of Industrial
& Commercial
Bank Ltd.

2nd January
1975

(continued)

from Merchant Credit Pte.Ltd. It was only out of respect for Mr. Y.K.Hwang that we chose to make what we believe to be a very fair offer for the MCPL shares held by ICB as well as to the return of the funds held in the MCPL share allocation account.

I would have you know that the proposal by ICR in their letter of 23rd December to Major Crafter, as Managing Director of Merchant Credit Pte. Ltd., is not in keeping with previously reflected indications of surcharge amount and is not acceptable. It is possible that a contingent liability for lease claims should be reflected in the valuation of the MCPL shares.

10

Respectfully,

Sd: A.Lipper

Arthur Lipper III
Chairman

c.c. W.H.Crafter
N.L.Stuart
Y.K.Hwang

20

Arthur Lipper Corporation
176 Broadway, New York, N.Y. 10038/(212)
349-1820/Cable: Alip Ur/Telex: 223450
Yurakucho Bldg. 5 Yurakucho 1-Chome, Chiyoda-Ku
Tokyo, Japan 214-2857/Cable:Artlipper/Telex:
TK 26786 London - Geneva

EXHIBITS

AB1

COPY OF MINUTES OF BOARD
OF DIRECTORS' MEETING OF
MERCHANT CREDIT PTE. LTD.
HELD ON 7th January 1975

EXHIBITS

AB1

Copy of Minutes
of Board of
Directors'
Meeting of
Merchant Credit
Pte.Ltd. held
on 7th January
1975

MERCHANT CREDIT PRIVATE LIMITED

(Incorporated in Singapore)

10 MINUTES of the Meeting of the Board of
Directors held in the Registered Office of the
Company, Suite 425, ICB Building, 2 Shenton Way,
Singapore on 7th January 1975 at 11.00 a.m.

Present: Mr.Y.K.Hwang (Chairman)
Mr. D.F.H. Sinclair
Mr. Arthur Lipper III
(alternate to Mr.W.H.Crafter)

Absent: Mr. William H.Crafter (on
overseas leave)

20 In attendance: Mr.G.H.L. Pouller (Deputising
as Secretary for Mr.W.H.
Crafter)

1. Opening of Meeting

A quorum being assembled the Chairman declared
the Meeting opened and stated that Mr. W.H.
Crafter, the Managing Director, had tendered his
apologies for his inability to attend the Meeting
as he was on overseas leave.

2. Appointment of Alternate Director

30 There was produced to the Meeting a letter dated
20th December 1974 from Mr. William H.Crafter
appointing Mr. Arthur Lipper III as his alternate
on the Board of Directors of Merchant Credit
Private Limited.

RESOLVED that Mr. Arthur Lipper III be and he is
hereby appointed as alternate Director to Mr.
William Henry Crafter with effect from 7th
January 1975.

40 A copy of his consent to Act as a Director of
Merchant Credit Private Limited (Form 45) is
annexed to these Minutes together with the
original copy of the letter received from Mr.
Crafter.

EXHIBITS

AB1

Copy of Minutes
of Board of
Directors'
Meeting of
Merchant Credit
Pte. Ltd. held
on 7th January
1975

(continued)

3. Offer made by Arthur Lipper International Ltd. to purchase the shares held by The Industrial & Commercial Bank Ltd. in Merchant Credit Private Limited

The Board was informed by Mr. Arthur Lipper III that Arthur Lipper International Ltd. had made an offer to The Industrial & Commercial Bank Ltd. to purchase its entire holding of 142,500 shares of \$1.00 each fully paid in Merchant Credit Private Limited for a total sum of \$192,500.

10

It was reported that the offer had been accepted and upon the transfer being completed Arthur Lipper International Ltd. would own 95 per cent of the issued share capital of Merchant Credit Private Limited.

4. Offer of Sale of Merchant Credit Pte.Ltd. shares in Ice Skating Centre Pte.Ltd. to Goldhill Properties Pte. Ltd.

RESOLVED that Mr. Arthur Lipper III be and he is hereby authorised on behalf of the Company to negotiate with Mr. William Goel of Goldhill Properties Pte. Ltd. for the sale to him of the Company's holding of 55,554 shares in Ice Skating Centre Pte. Ltd. on the same terms as those being negotiated for the sale of the shares held by Arthur Lipper International Ltd. in Ice Skating Centre Pte. Ltd.

20

5. Refundment to The Industrial & Commercial Realty Co.Ltd. of the sum of \$332,500.00

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The Board was informed that in order to refund to The Industrial & Commercial Realty Co.Ltd. the sum of \$332,500 that it had originally paid for additional share capital in the Company it would be necessary to raise a loan to meet the payment.

RESOLVED that Mr. Arthur Lipper III or in his absence, Mr. W.H.Crafter, be and they are hereby authorised on behalf of the Company to raise this loan on the best possible terms on the land in Kuala Lumpur owned by its subsidiary Malaysian Recreation Co. Sdn.Bhd.

40

6. Imperial Securities International Ltd.

The attention of the Board was drawn to the Agreement of 10th October 1972 between Imperial Hotel Ltd. (the former name of Imperial Securities International Ltd.) of the one part and the

Company and CDFC International Ltd. of the other part whereby a fee of \$100,000.00 per annum would be paid to the Company in arrear by quarterly instalments commencing 1st January 1973.

It was reported that considerable difficulty was experienced each quarter in securing payment of the instalment of \$25,000.00 due.

10 The Board was informed that the sum of \$25,000.00 due on 1st January 1975 had not been received and that a demand for its payment within 7 days had been sent on 7th January 1975 failing which legal action would be commenced to secure its payment together with interest thereon.

The Board received the Report and gave its approval for the action taken.

7. Haiwan Shipping Co. (Pte) Ltd.

20 It was reported that Haiwan Shipping Co. (Pte) Ltd. still owed the Company the sum of \$17,000. The amount outstanding at 31st March 1974 was \$20,000 but the sum of \$1,000 was paid to the Company on 2nd October 1974. On 23rd November 1974 Mr. Terry Chong Chin Hin, one of the directors of Haiwan Shipping Co. Pte. Ltd., had made a personal payment of \$2,000 to reduce the amount owed to Merchant Credit Pte. Ltd.

30 The Board was informed that a Petition had been filed in the High Court, Singapore by one of the creditors of Halwan Shipping Co. (Pte) Ltd. for its winding up. The Petition would be heard on 24th January 1975 and the Company had instructed its Solicitors to obtain a copy of the Petition and appear on its behalf at the hearing. Should the Petition be granted and the Court orders the Company to be wound up then it would be this Company's intention to claim the sum of \$19,000, and if full payment is resolved, to refund Mr. Terry Chong the sum of \$2,000.
40 Failing this, it was the Company's intention to seek full reimbursement from Mr. Terry Chong against the personal guarantee that he had given the Company.

The Board approved and ratified the actions to be taken in this matter.

8. Chequers Pte. Ltd.

The Board was informed that the solicitors for

EXHIBITS

AB1

Copy of Minutes of Board of Directors' Meeting of Merchant Credit Pte. Ltd. held on 7th January 1975

(continued)

EXHIBITS

AB1

Copy of Minutes
of Board of
Directors'
Meeting of
Merchant Credit
Pte. Ltd. held
on 7th January
1975

(continued)

Goldhill Properties (Pte) Ltd. had on 20th December 1974 sent this Company a banker's order for \$216,500 in payment of the balance due under the Agreement of 12th September 1974 for the sale of the whole of the issued share capital of Chequers (Pte) Ltd. of 155,000 shares.

Of this amount, the sum of \$45,000 was due to Mr. & Mrs. Lim Koon Teck whose holding of 31,000 shares (included in the figure of 155,000 shares mentioned above) was sold under the said Agreement. Payment would be made as soon as possible to Mr. & Mrs. Lim Koon Teck. Confirmation had been received from Singapore Investments Pte. Ltd. on 18th December 1974 that the loan of \$8,500.00 due to them by Chequers Pte. Ltd. and referred to in Clause 2(d) of the above Agreement had been repaid to them. The Board was also informed that Mr. William H. Crafter had vacated his seat on the Board of Directors of Chequers Pte. Ltd.

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With regard to the loan of \$100,000/- made by the Company to Chequers (Pte) Ltd. and covered by the Deed executed on 12th September 1974, the Board was informed that interest thereon calculated at 7 percent per annum and due from 20th June 1972 to 20th December 1974, amounting to \$17,500.00, was paid to the Company on 17th December 1974, interest payments were due twice a year on or before the 20th day of June and the 20th day of December in each year.

30

It was also brought to the attention of the Board that Chequers Pte. Ltd. still owed the Company the sum of \$8,400.00 as management fees covering the period 1st July 1973 to 31st August 1974. A demand for the payment of this sum within 7 days had been made on 4th January 1975 failing which legal proceedings would be instituted for its recovery.

The Board received the report made and gave its approval to the actions taken.

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9. Home Beautifying Service Pte. Ltd.

It was reported to the Board that Home Beautifying Service Pte. Ltd. was expected by its Managing Director to achieve a pre-tax profit of \$50,000 in its first financial period from its incorporation on 4th October 1973 to 31st October 1974. Under the terms of the Agreement concluded by Merchant Credit Pte. Ltd. with

Home Beautifying Service Pte. Ltd. the former would be entitled inter alia to a management fee of 40 per cent of the pre-tax profits of the latter.

EXHIBITS

AB1

Copy of Minutes of Board of Directors' Meeting of Merchant Credit Pte. Ltd. held on 7th January 1975

(continued)

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The Board was informed that as Home Beautifying Service Pte. Ltd. appeared to be doing well the Company had offered to dispose of its interests under the above Agreement to the Managing Director, Mr. Justin Bong or a person nominated by him for the sum of \$90,000. This offer was being considered by Mr. Bong.

The Board approved and ratified the actions taken in this matter.

10. Shenton Travel Association Pte. Ltd.

The Board was informed that the Company's holding of 39,000 shares in Shenton Travel Associates Pte. Ltd. cannot be disposed of for two years from the date of their purchase.

11. Office Accommodation

20

It was reported that the matter of the Company's office accommodation was under consideration as the previous lease had expired on 31st December 1974. Consideration was also being given to taking more office space perhaps in a different location but a final decision would not be taken until the return of the Managing Director, Mr. W.H.Crafter, from overseas leave.

30

Authority was given to Mr. Arthur Lipper III and Mr. William H.Crafter on his return from leave to negotiate for additional office space on the best possible terms.

12. Reclassification of Ice Skating Equipment as fixed assets of the Company

RESOLVED that Ice Skating Equipment consisting of the undermentioned goods of \$585,851.00 at 31st March 1974 and shown as stocks in the Company's books on that date be reclassified as fixed assets and shown in the Company's accounts as such on 31st March 1974 :-

40

(i) Ice Skating boots (2,000 pairs)	\$101,456.51
(ii) Refrigerating equipment	<u>484,394.49</u>
	<u>\$585,851.00</u>

EXHIBITS

AB1

Copy of Minutes
of Board of
Directors'
Meeting of
Merchant Credit
Pte. Ltd. held
on 7th January
1975

(continued)

13. Ratification of Directors' resolutions
in writing

RESOLVED that pursuant to Article No.91(A) of
the Company's Articles of Association the
Directors' Resolutions passed in writing in
accordance with the provisions of the said
Article on the undermentioned dates be and
the same are hereby confirmed :-

Date of Circular Resolution

- | | |
|-------------------------|----|
| 1. 12th June 1973 | 10 |
| 2. 29th August 1973 | |
| 3. 5th September 1973 | |
| 4. 12th September 1973 | |
| 5. 14th September 1973 | |
| 6. 18th September 1973 | |
| 7. 28th September 1973 | |
| 8. 1st October 1973 | |
| 9. 5th October 1973 | |
| 10. 31st October 1973 | |
| 11. 20th November 1973 | 20 |
| 12. 5th December 1973 | |
| 13. 6th December 1973 | |
| 14. 6th December 1973 | |
| 15. 12th December 1973 | |
| 16. 14th December 1973 | |
| 17. 16th January 1974 | |
| 18. 16th January 1974 | |
| 19. 11th February 1974 | |
| 20. 13th February 1974 | |
| 21. 14th February 1974 | 30 |
| 22. 1st March 1974 | |
| 23. 25th April 1974 | |
| 24. 15th May 1974 | |
| 25. 21st May 1974 | |
| 26. 24th June 1974 | |
| 27. 1st July 1974 | |
| 28. 3rd July 1974 | |
| 29. 7th August 1974 | |
| 30. 12th September 1974 | |
| 31. 18th October 1974 | 40 |
| 32. 22nd October 1974 | |
| 33. 28th October 1974 | |
| 34. 3rd December 1974 | |
| 35. 13th December 1974 | |
| 36. 18th December 1974 | |
| 37. 20th December 1974 | |

14. Declaration of Interests by Mr.Arthur
Lipper III

Under the provisions of Section 131 of the
Companies Act (Cap.185,)Mr. Arthur Lipper III
tabled a list showing his interests in the

50

following companies and the Secretary was instructed to record the particulars in the Minutes of the Meeting :-

EXHIBITS

AB1

Copy of Minutes of Board of Directors' Meeting of Merchant Credit Pte. Ltd. held on 7th January 1975

(continued)

	<u>United States of America</u>	<u>Position</u>	
	Arthur Lipper Corporation, New York	President	
	Microband Corporation of America	Chairman	
	<u>Switzerland</u>		
10	Arthur Lipper S.A.Geneve	Manager	
	<u>Japan</u>		
	Capital Kanri Group K.K.	Majority share- holder	
	Mayama Sogo K.K.	" "	
	<u>United Kingdom</u>		
	Arthur Lipper London Ltd. Forward Contract Exchange Co.Ltd. (Jersey)	Chairman "	
20	Market Average Performance Ltd. (Jersey)	"	
	<u>Hong Kong</u>		
	Arthur Lipper International Ltd.	Chairman	
	<u>Bermuda</u>		
	Petroleum Products Ltd.	Managing Director	
	<u>Australia</u>		
	Bullio Pastoral Pty.Ltd. Pleasant Valley Pastoral Co. Pty.Ltd.	Director "	
30	Pickering Pastoral Co.Pty.Ltd.	"	
	Covos Road Pastoral Pty.Ltd.	"	
	<u>Singapore</u>		
	Arthur Lipper International Ltd.	Director	

In addition and through Arthur Lipper International Ltd., Hong Kong and Singapore, I have an interest in the following companies :

1. Merchant Credit Pte Ltd. Singapore
2. British & Eastern (Pte) Ltd. "

EXHIBITS

AB1

Copy of Minutes
of Board of
Directors'
Meeting of
Merchant Credit
Pte. Ltd. held
on 7th January
1975

(continued)

3. Ice Skating Centre Pte.Ltd. Singapore
4. Prime Export Meat (S) Pte.Ltd. "
5. Ice Skating Services Pte.Ltd. "
6. Patine International Ltd. Hong Kong
7. P.T. Pacto Indonesia

Through Merchant Credit Pte.Ltd. Singapore, I
also have interests in the following companies:

1. Chequers Pte. Ltd. Singapore
2. British & Eastern (M) Ltd. "
3. Shenton Travel Associates Pte. Ltd. " 10
4. Home Beautifying Service Pte. Ltd. "
5. Malaysia Recreation Co. Sdn. Bhd. Malaysia

15. Resignation of Mr. William Henry Crafter
as Secretary of the Company

There was produced to the Meeting a letter
dated 20th December 1974 from Mr. William Henry
Crafter resigning his appointment as Secretary
of the Company with effect from 15th January
1975. 20

RESOLVED that the resignation of Mr. William
Henry Crafter as Secretary of the Company with
effect from 15th January 1975 be and is hereby
accepted.

Mr. Crafter's letter is annexed to these Minutes.

16. Appointment of Mr. G.H.L.Pouller as
Secretary of the Company

RESOLVED that Mr. G.H.L.Pouller be and he is
hereby appointed Secretary of the Company with
effect from 15th January 1975. 30

Signed as a Correct Record

Sd: Y.K.Hwang

Y.K. Hwang
Chairman

EXHIBITS

AB1

LETTER FROM ARTHUR LIPPER
III TO Y.K. HWANG

ARTHUR LIPPER INTERNATIONAL LTD.

Industrial & Commercial Bank
Building,
2, Shenton Way, Singapore 1
Tel: 94261/2/3
Telex: 21058
Cable: ARTLIPPER

17th January 1975

Mr. Y.K.Hwang,
Industrial & Commercial Bank Ltd.
2 Shenton Way
Singapore.

Dear YK:

I spoke this morning to William Goei as he had not responded to my earlier letter regarding consenting to the release of ICR from the AMB lease guarantee. Goei indicated that his General Manager, Mr. Wong, or his attorney would respond to the request. He would not indicate what that response might be.

I would like to visit with you some time today, if possible, as it currently appears unlikely that MCPL will be able to, as hoped pay ICR \$332,500.00 on January 23rd 1975.

Sincerely,

Sd: A. Lipper

Arthur Lipper III
Chairman

EXHIBITS

AB1

Letter from
Arthur Lipper
III to Y.K.
Hwang

17th January
1975

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EXHIBITS

AB1

Letter from
Arthur Lipper
III to Y.K.
Hwang

28th January
1975

EXHIBITS

AB1

LETTER FROM ARTHUR LIPPER
III TO Y.K. HWANG

ARTHUR LIPPER INTERNATIONAL LTD.

Industrial & Commercial Bank
Building,
2, Shenton Way, Singapore 1
Tel: 94261/2/3
Telex: RS 21058
Cable: ARTLIPPER

10

28th January 1975

Mr. Y.K.Hwang
The Industrial & Commercial Bank Ltd.,
2 Shenton Way,
Singapore 1

Dear YK:

As a result of yesterday's meeting, Major Crafter again visited Mr. Richard Boydell of Associated Merchant Bank (AMB) with the purpose of developing a basis for AMB releasing ICR from the guarantee issued in favour of Ice Skating Centre Pte. Ltd. Mr. Boydell undertook to again discuss the matter with AMB's attorneys. 20

In the meantime, I see no way of accommodating the desires of the ICB Board in neatly resolving the three open items all simultaneously.

Arthur Lipper International Ltd., as reported to you, is, and has been, in a position to purchase the 142,500 shares of MCPL held by ICB. Merchant Credit should shortly be in a position to pay \$332,500 to ICR. The guarantee release matter is out of our control. 30

Should the Board feel that the bank's sale of Ice Skating Centre Pte. Ltd. shares to ALI was, in part, predicated on the obtaining of an AMB release of guarantee, we shall be pleased to reverse the transaction, which would result in ICB holding the same number of ISC shares as ALI holds. Of course, you should be aware that ALI plans to cause ISC to make a rights offering to shareholders, the proceeds of which will be used to reduce significantly the current debt of over \$2.8 million ISC owes ALI. ISC earnings for the period ending 31st December 1974 were 40

excellent, however January will probably be breakeven or a small loss. We expect that after Chinese New Year business will again increase. In the meantime, corrective steps in terms of overheads have been taken and greater economies will soon be implemented.

EXHIBITS

AB1

Letter from
Arthur Lipper
III to Y.K.
Hwang

28th January
1975

(continued)

10 Please let me know the wishes of the ICB Board in this matter as it is not satisfactory for either party to remain in the present state of limbo. I believe it is only realistic to assume that there will not be a practical basis whereby the desired release may be obtained.

Sincerely,

Sd: A.Lipper

Arthur Lipper III
Chairman

EXHIBITS

AB1

20 LETTER FROM ARTHUR LIPPER
III TO Y.K. HWANG

AB1

Letter from
Arthur Lipper
III to Y.K.
Hwang

7th February
1975

ARTHUR LIPPER INTERNATIONAL LTD.

Industrial & Commercial Bank
Building,
2, Shenton Way, Singapore 1
Tel: 94261/2/3
Telex: RS21058
Cable: ARTLIPPER

7th February 1975

30 Mr. Y.K.Hwang,
Industrial & Commercial Bank Bldg.,
2 Shenton Way,
Singapore.

Dear YK:

40 As there is such an obvious dissatisfaction on the part of the management of Industrial & Commercial Bank Ltd. with the progress being made by Merchant Credit Private Limited in raising cash sufficient to repay \$332,500 to Industrial & Commercial Bank Ltd. I suggest either of the two following plans in substitution for those suggested in my 23rd December 1974

EXHIBITS

AB1

Letter from
Arthur Lipper
III to Y.K.
Hwang

7th February
1975

(continued)

letter to you which is hereby withdrawn.

Plan A - Immediate disposal of all MCPL assets, with pro rata reduction of liabilities as cash becomes available, and with pro rata distribution (through loan, liquidating dividend or return of capital payment) of funds remaining after full resolution of indebtedness. The Managing Director of MCPL, or an ICB selected individual or both jointly could be made responsible for the asset disposal program. It is possible that an amount significantly in excess of the Company's paid in capital may remain after all repayments. The Managing Director believes that this be the case as substantial profits are thought to attainable in the sale of Kuala Lumpur assets. In any case, all shareholders would be treated equitably. 10 20

Plan B - An immediate pro rata (to obligations) distribution of cash assets with an immediate purchase or sale of all the MCPL shares held by either ICB or ALI through the use of the Buy/Sell clause of the MCPL shareholders agreement.

It is indeed unfortunate that the ICB management were not able to bring to bear as much prior assistance in finance or business generation as current pressure regarding disengagement. It is possible that a different net result could have been achieved. 30

Sincerely,

Sd: A. Lipper

Arthur Lipper III

EXHIBITS

AB1

LETTER FROM THE SECRETARY
OF THE INDUSTRIAL & COMMERCIAL
REALTY CO.LTD. TO THE MANAGING
DIRECTOR OF MERCHANT CREDIT
PTE. LTD.

EXHIBITS

AB1

Letter from
the Secretary
of the
Industrial &
Commercial
Realty Co.Ltd.
to the Manag-
ing Director
of Merchant
Credit Pte.Ltd.
3rd March 1975

10

THE INDUSTRIAL & COMMERCIAL REALTY CO.LTD.
Mezz Floor ICB Building 2 Shenton Way
Singapore 1. Tel. 954263

Our ref: RL/A-5685 3rd March, 1975

The Managing Director,
Merchant Credit Pte. Ltd.,
ICB Building,
Singapore, 1

Dear Sir,

20

We refer to the sum of \$332,500/- paid by
us in June 1973 in respect of application for
332,500 shares in your Company to which no
share certificates have still been issued to
our Company.

For the purpose of audit, kindly certify
that this is correct to our Auditors :-

M/s. Coopers & Lybrand,
Supreme House,
Penang Road,
Singapore, 9.

with a copy of said certificate to us.

Yours faithfully,

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For THE INDUSTRIAL & COMMERCIAL REALTY
CO.LTD.

Sd:

Secretary

OBK/cwl
c.c. to M/s. Coopers & Lybrand

EXHIBITS

AB1

Letter from
Merchant Credit
Pte. Ltd. to
Coopers &
Lybrand

4th March
1975

EXHIBITS

AB1

LETTER FROM MERCHANT CREDIT
PTE. LTD. TO COOPERS & LYBRAND

Date Recd. 5 MAR 1975

MERCHANT CREDIT PRIVATE LIMITED

Industrial & Commercial
Bank Building,
2, Shenton Way, Singapore 1
Telephone: 94261/2/3

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4th March 1975

Messrs. Coopers & Lybrand,
Supreme House,
Penang Road,
Singapore 9.

Dear Sir,

Re: The Industrial & Commercial Realty
Co.Ltd.

We refer to the letter of 3rd March 1975 sent
us by the abovenamed Company and copied to you.

20

This serves to confirm that the sum of \$332,500
was received by us from The Industrial &
Commercial Realty Co.Ltd., on 28th June 1973
in respect of their application for an additional
332,500 shares of \$1.00 in the capital of this
Company and that the said shares have not been
issued to them.

Yours faithfully,

Sd: William Crafter

William H. Crafter
Managing Director

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cc. The Industrial & Commercial Realty
Co.Ltd.

EXHIBITS

AB1

ACCOUNTS OF MERCHANT CREDIT
PTE. LTD. FOR YEAR ENDED
31ST MARCH 1975

EXHIBITS

AB1

Accounts of
Merchant Credit
Pte.Ltd. for
year ended
31st March
1975

MERCHANT CREDIT PRIVATE LIMITED

(Incorporated in the Republic of Singapore)

ACCOUNTS FOR THE YEAR ENDED
31ST MARCH 1975

PEAT, MARWICK, MITCHELL & CO.
Chartered Accountants,
Public Accountants, Singapore.

EXHIBITS

AB1

Accounts of
Merchant Credit
Pte. Ltd. for
year ended
31st March
1975

(continued)

MERCHANT CREDIT PRIVATE LIMITED

(Incorporated in the Republic of Singapore)

REPORT OF THE DIRECTORS

Your directors have pleasure in submitting the accounts of the company for the year ended 31st March 1975.

Principal Activities

The principal activities of the company in the course of the financial year have been those relating to merchant banking business, underwriters, financiers and promotion and establishment of companies. There have been no significant changes in such activities during the year. 10

<u>Accounts</u>	<u>1975</u>	<u>1974</u>	
	\$	\$	
Profit/(Loss) for the year after taxation	103,142	(188,191)	
Deduct:			
Exceptional item -			20
Provision for diminution in value of shares in a subsidiary no longer required	<u>-</u>	<u>8,445</u>	
	103,142	(179,746)	
Unappropriated profit/(accumulated loss) brought forward	<u>(173,809)</u>	<u>5,937</u>	
Accumulated loss carried forward	<u>\$ (70,667)</u>	<u>\$(173,809)</u>	30

Since the end of the last financial year, no dividend has been paid in respect of that year. No dividend has been paid or is proposed to be paid in respect of the year under review.

In our opinion, the results of the company's operations have not been affected by any item, transaction or event of a material and unusual nature.

In arriving at the result of the year, we have taken reasonable steps in ascertaining and satisfying ourselves that all known bad debts have been written off and that adequate provision has been made for doubtful debts. Reasonable steps have also been taken to ensure that all current assets which are unlikely to 40

realise their book value in the ordinary course of business have been written down to an amount which they may be expected to realise.

EXHIBITS

AR1

Accounts of Merchant Credit Pte.Ltd. for year ended 31st March 1975

(continued)

Directorate

The present members of the Board of directors are as follows :-

Arthur Lipper III (Alternate to W.H. Crafter)

10

William Henry Crafter
Donald Frank Harvey Sinclair
Ong Bee Kok.

Directors' Interests in Contracts

At no time during the year ended 31st March 1975 was the company a party to any arrangements to enable your directors to acquire benefits by means of the acquisition of shares in or debentures of the company or any other body corporate.

20

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

Directors' Interests in Shares

Particulars of beneficial interests of directors and their immediate families in shares in the company and related corporation according to the register kept by the company for the purposes of Section 134 of the Companies Act, Cap.185 are as follows :-

30

	At <u>1.4.1974</u>	At <u>31.3.1975</u>
<u>THE COMPANY</u>	Ordinary shares of \$1 each	
Donald Frank Harvey Sinclair	15,000	15,000
<u>RELATED CORPORATION</u>		
Arthur Lipper Corporation (Incorporated in U.S.A.)	<u>US\$5 Par Common Voting Shares</u>	
Arthur Lipper III	-	950

40

EXHIBITS

AB1
Accounts of
Merchant Credit
Pte. Ltd. for
year ended
31st March
1975

	<u>US\$5 Par Common Non-Voting Shares</u>	
Arthur Lipper III	-	750
Anni Lipper	-	200
	<u>7% Cumulative Preferred US\$100 Par Value</u>	
Arthur Lipper III	-	625
Anni Lipper	-	350

(continued)

Contingent Liabilities

No contingent liability or other liability has become enforceable or is likely to become enforceable within the succeeding period of twelve months which will materially affect the ability of the company to meet the obligations when they fall due. 10

At the date of this report there are no contingent liabilities which have arisen since 31st March 1975.

Other Statutory Information

Since the end of the financial year, fixed deposits totalling \$25,000 have been placed with a banker to secure the overdraft facilities granted by the bank to Home Beautifying Service Pte. Ltd. 20

At the date of this report, we are neither aware of any circumstances which would render the values attributable to current assets in the accounts misleading.

No item, transaction or event of a material and unusual nature which in our opinion is likely to affect substantially the results of the company's operations has arisen since 31st March 1975. 30

There are no circumstances not otherwise dealt with in this report and the accounts which would render any amount stated in the accounts misleading.

Auditors

The auditors, Messrs. Peat, Marwick, Mitchell & Co., Chartered Accountants and Public Accountants, Singapore, have indicated their willingness to accept re-appointment. 40

On behalf of the Board
Sd: D.F.H.Sinclair Director

SINGAPORE

Sd: William Crafter Director

PEAT, MARWICK, MITCHELL & CO.
Chartered Accountants
Public Accountants, Singapore

Maritime Building,
Singapore
P.O.Box 448

TELEPHONE: 96293
TELEGRAMS: VERITATEM, SINGAPORE

EXHIBITS

AB1

Accounts of
Merchant Credit
Pte.Ltd. for
year ended
31st March
1975

(continued)

MERCHANT CREDIT PRIVATE LIMITED

10 (Incorporated in the Republic of Singapore)

REPORT OF THE AUDITORS TO THE MEMBERS

These accounts have been prepared on the basis of the company being a going concern, which assumes the continued support of both major shareholders as described in note 5 on the accounts.

Subject to the above, in our opinion :-

- 20 (a) the accompanying accounts are properly drawn up in accordance with the provisions of the Companies Act, Cap.185 and so as to give a true and fair view of :
- (i) the state of affairs of the company as at 31st March 1975 and of the results of the company for the year ended on that date; and
- (ii) the other matters required by section 169 of the Act to be dealt with in the accounts;
- 30 (b) the accounting and other records, and the registers required by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act.

PEAT, MARWICK, MITCHELL & CO.
CHARTERED ACCOUNTANTS
PUBLIC ACCOUNTANTS, SINGAPORE.

SINGAPORE

19 OCT 1975

EXHIBITS

MERCHANT CREDIT PRIVATE LIMITED

(Incorporated in the Republic of Singapore)

AB1

Accounts of
Merchant Credit
Pte. Ltd. for
year ended
31st March
1975

(continued)

STATEMENT OF DIRECTORS

We, DONALD FRANK HARVEY SINCLAIR and
WILLIAM HENRY CRAFTER, being directors of
MERCHANT CREDIT PRIVATE LIMITED do hereby state
that in our opinion the accompanying profit and
loss account and balance sheet are drawn up so
as to give a true and fair view of the results
of the business of the company for the year
ended 31st March 1975, and of the state of
affairs of the company as at that date.

10

Signed on behalf of the Board of
Directors

Sd: William H. Crafter
Director

Sd: D.F.H. Sinclair
Director

SINGAPORE

STATUTORY DECLARATION

20

I, WILLIAM HENRY CRAFTER, director of
MERCHANT CREDIT PRIVATE LIMITED do solemnly
and sincerely declare that the accompanying
balance sheet and profit and loss account are, to
the best of my knowledge and belief, correct.
And I make this solemn declaration conscientiously
believing the same to be true and by virtue of
the provisions of the Statutory Declaration Act
1835.

Declared at in the)
Republic of Singapore this)
. day of 1975)

Sd. William H.
Crafter
Director

30

Before me:

MERCHANT CREDIT PRIVATE LIMITED
(Incorporated in the Republic of Singapore)

EXHIBITS

AB1

BALANCE SHEET AS AT 31ST MARCH 1975

Accounts of
Merchant Credit
Pte. Ltd. for
year ended
31st March
1975

(continued)

	<u>1974</u>		
	\$		\$
		SHARE CAPITAL	
		Authorized:	
		Ordinary shares of	
	\$2,000,000	\$1 each	\$2,000,000
10		Issued and fully paid:	
		Ordinary shares of	
	300,000	\$1 each	300,000
	<u>173,809</u>	ACCUMULATED LOSS	<u>70,657</u>
	<u>\$126,191</u>		<u>\$229,333</u>
		Represented by :-	
	605,712	FIXED ASSETS (note 2)	586,557
		SUBSIDIARY COMPANIES (note 3)	
	547,000	Shares at cost	392,000
	151,893	Amounts owing	<u>43,011</u>
20	698,893		435,011
		INVESTMENTS at cost	
	94,673	Unquoted shares in	94,673
		corporations (note 4)	
		CURRENT ASSETS	
		Loan advance less	
		provision for doubtful	
		debts \$214,000 (1974:	
	3,000	\$217,000)	239,862
	25,900	Trade debtors	41,934
30	9,766	Other debtors, deposits	
		and Prepayments	20,373
	<u>141,503</u>	Cash on deposit and	
	180,169	at bank	<u>227,112</u>
			<u>529,281</u>
		Less:	
		CURRENT LIABILITIES	
		Arthur Lipper Inter-	
		national Limited	
	1,075,412	(note 5)	1,067,261
40		The Industrial and	
	332,500	Commercial Realty	
		Co.Ltd. (note 5)	332,500

<u>EXHIBITS</u>	<u>1974</u>		\$	\$	
AB1	\$	CURRENT LIABILITIES			
		(cont'd)			
Accounts of Merchant Credit Pte.Ltd for year ended 31st March 1975	6,440 43,554 <u>1,457,906</u>	Other creditors	21,302		
		Provision for income tax	-		
(continued)			<u>1,421,063</u>		
	(1,277,737)	NET CURRENT LIABILITIES		(891,782)	
		EXPENDITURE CARRIED FORWARD at cost			10
	4,650	Preliminary expenses		4,874	
	<u>\$126,191</u>			<u>\$229,333</u>	

The annexed notes form an integral part of and should be read in conjunction with these accounts.

MERCHANT CREDIT PRIVATE LIMITED

(Incorporated in the Republic of Singapore)

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED
31ST MARCH 1975

<u>1974</u>		\$	\$	
\$				
	PROFIT/(LOSS) FOR THE YEAR before taxation		69,042	20
(152,918)				
	AFTER CHARGING:			
2,500	Auditors' remuneration	2,500		
2,207	Depreciation of fixed assets	1,986		
1,374	Hire of equipment	1,121		30
6,654	Rent	5,238		
217,000	Provision for doubtful debts	-		
21,896	Project development expenses	1,098		

EXHIBITSMERCHANT CREDIT PRIVATE LIMITED

AB1

(Incorporated in the Republic of Singapore)

Accounts of
Merchant Credit
Pte. Ltd. for
year ended
31st March
1975

NOTES ON THE ACCOUNTS - 31ST MARCH 1975

These notes form an integral part of and should be read in conjunction with the accompanying accounts.

(continued)

1. ACCOUNTING POLICIES

(a) Fixed Assets

No depreciation is provided on ice skating equipment, which includes ice skating boots. In the opinion of the directors, this equipment, which is in an unused condition, is expected to realise at a value above cost. All other assets are depreciated on a reducing balance basis over their estimated useful lives. 10

(b) Subsidiary Company (note 3)

(i) It is the policy of the company not to prepare consolidated accounts. The accounts of this company are annexed. 20

(ii) The shares in the subsidiary company are stated at cost.

(c) Currency Conversion

Assets and liabilities in foreign currencies have been converted at rates of exchange closely approximate to those ruling at 31st March 1975 and profit and loss account items where applicable have been converted at the rates of exchange prevailing on transaction dates. 30

2. FIXED ASSETS

	Cost	1975		
		Accumulated Depreciation	Balance	
	\$	\$	\$	
Ice skating equipment (note 1(a))	568,682	-	568,682	40
Furniture and equip- ment	13,089	3,547	9,542	
Fixtures and fittings	11,431	3,098	8,333	
	<u>\$593,202</u>	<u>\$6,645</u>	<u>\$586,557</u>	

		<u>1974</u>			<u>EXHIBITS</u>
		<u>Cost</u>	<u>Accumulated</u>	<u>Balance</u>	AB1
		<u>\$</u>	<u>\$</u>	<u>\$</u>	Accounts of
					Merchant Credit
					Pte. Ltd. for
					year ended
					31st March
					1975
	Ice skating equip- ment (note 1(a))	585,851	-	585,851	(continued)
	Furniture and equipment	13,089	2,487	10,602	
10	Fixtures and fittings	11,431	2,172	9,259	
		<u>\$610,371</u>	<u>\$4,659</u>	<u>\$605,712</u>	

3. NAME OF SUBSIDIARY

	<u>Place of</u> <u>Incorp-</u> <u>oration</u>	<u>Percen-</u> <u>tage</u> <u>Held</u>	<u>Shares</u> <u>at Cost</u>
Malaysian Recreation Co.Sdn.Bhd.	Malaysia	76%	<u>\$392,000</u>

4. INVESTMENTS at cost

	<u>Corporation</u>	<u>Cost of</u> <u>Unquoted Shares</u> <u>\$</u>
Shenton Travel Associates		39,000
Singapore Ice Skating Centre Pte.Ltd.		55,554
British and Eastern (Malaysia)Ltd.		119
		<u>\$94,673</u>

5. ADVANCES FROM SHAREHOLDERS

Both shareholders have advanced monies totalling \$665,000 and it may be necessary to sell certain assets to repay them. In addition, one of these shareholders, Arthur Lipper International Limited has advanced a further \$734,762 whose repayment is subject to eventual realisation of all the assets.

6. CONTINGENT LIABILITIES

At 31st March 1975, there are contingent liabilities in respect of the following items for which no provision has been made in the accounts :-

<u>EXHIBITS</u>	<u>1975</u>	<u>1974</u>
ABI	\$	\$
Accounts of Merchant Credit Pte.Ltd. for year ended 31st March 1975 (continued)	Guarantees given in the normal course of business Interest on monies advanced by share- holders (note 5)	566,500 -
	308,816	
	56,953	
	<u>\$ 365,769</u>	<u>\$566,500</u>

MERCHANT CREDIT PRIVATE LIMITED

(Incorporated in the Republic of Singapore)

DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR
ENDED 31ST MARCH 1975

EXHIBITS

AB1

Accounts of
Merchant Credit
Pte.Ltd. for
year ended
31st March
1975

(continued)

	<u>1974</u>		<u>§</u>	<u>§</u>
		INCOME		
	208,961	Underwriting and finan-		
	53,065	cial service fee	103,514	
10	7,200	Interest income	22,045	
		Management fee	13,933	
		Profit on sale of		
		investment in sub-		
	-	sidary company	79,977	
		Profit on sale of		
	-	fixed assets	14,565	
	-	Sundry income	6,228	
	269,226			240,262
		Less:		
		EXPENDITURE		
20	54,366	Management fee	19,210	
	6,654	Rent	5,238	
	4,940	Insurance	924	
	70,906	Interest	100,786	
	2,500	Audit fee	2,500	
	7,200	Legal and professional	252	
		fees		
	5,068	Stationery and office		
	966	expenses	3,580	
		Postages	570	
30	-	Secretarial and filing		
		fees	6,945	
	19,395	Storage charges	23,504	
	1,038	Telephone and telex	2,470	
	400	Travelling expenses	57	
	1,263	Entertainment	1,264	
	1,374	Hire of equipment	1,121	
	2,207	Depreciation	1,986	
	66	Repairs and maintenance	111	
	304	Accommodation	160	
40		Project development		
	21,896	expenses written off	1,098	
	165	Bank charges	30	
	217,000	Provision for doubtful	(3,000)	
		debts		
	-	Vehicle running expenses	1,202	
	4,436	Miscellaneous expenses	964	
	-	Loss on exchange	248	
	<u>422,144</u>			<u>171,220</u>
	<u>§(152,918)</u>	PROFIT/(LOSS) FOR THE YEAR		<u>§69,042</u>

EXHIBITS

AB1

Copy of Minutes
of Board of
Directors'
Meeting of
Merchant Credit
Pte. Ltd. held
on 30th April
1975

EXHIBITS

AB1

COPY OF MINUTES OF BOARD
OF DIRECTORS' MEETING OF
MERCHANT CREDIT PTE. LTD.
HELD ON 30th April 1975

MERCHANT CREDIT PRIVATE LIMITED

(Incorporated in Singapore)

Board of Directors' Meeting - 30th
April 1975

10

ATTENDANCE

Mr. Y.K. Hwang	Sd: Y.K. Hwang
Mr. D.F.H. Sinclair	Sd: D.F.H. Sinclair
Mr. William H.Crafter	Sd: William H.Crafter

MINUTES of the meeting of the Board of Directors
held in Singapore on 30th April 1975 at 12.45 p.m.

Present: Mr. Y.K.Hwang (Chairman)
Mr. William H.Crafter
Mr. D.F.H. Sinclair

A quorum being assembled the Chairman declared
the Meeting opened.

20

1. Minutes

The Minutes of the Board Meeting held on 22nd
February 1975 were approved.

2. Ratification of Directors' Resolutions in
writing

RESOLVED that pursuant to Article No.91(A) of
the Company's Articles of Association the Direc-
tors' Resolutions in writing passed in accordance
with the provisions of the said Article on the
undermentioned dates be and the same are hereby
confirmed and ratified.

30

<u>Directors' Resolution No.</u>	<u>Date passed</u>
3/75	17th March 1975
4/75	17th March 1975

<u>Directors' Resolution No.</u>	<u>Date passed</u>	<u>EXHIBITS</u>
----------------------------------	--------------------	-----------------

5/75	9th April 1975	AB1
6/75	9th April 1975	

3. Offer of Rights Issue by Ice Skating Centre Pte. Ltd.

Copy of Minutes of Board of Directors' Meeting of Merchant Credit Pte. Ltd. held on 30th April 1975

(continued)

10

A full explanation of the Right Issue of Ice Skating Centre Pte. Ltd. offered to its shareholders on 5th March 1975 was given to the members of the Board by Mr. Crafter who was managing director of that Company. Of the 2,181,750 ordinary shares of \$1.00 each offered at par, the Company had been provisionally allotted 218,169 shares, this number being in proportion to its holding of 55,554 shares in the capital of Ice Skating Centre Pte. Ltd. on 28th February 1975.

20

The Board noted that funds were not available in the Company to enable it to take up the offer and that shareholders were not prepared to put up further funds. The Company did not therefore exercise its right under the offer which expired on 31st March 1975.

Mr. Crafter also explained that he had not received approval or otherwise from Mr. Y.K.Hwang when the resolution in writing on this matter was submitted to him.

4. Repayment of funds held under "Share Application Account" and Payment of Interest thereon

30

The Board was informed that in June 1973 The Industrial & Commercial Realty Co.Ltd., a subsidiary of The Industrial & Commercial Bank Ltd. and Arthur Lipper International Ltd. had both contributed the sum of \$332,500 each for additional shares in Merchant Credit Pte. Ltd. for the purpose of the Company putting up an Ice Skating rink in Kuala Lumpur and that such funds were held in a "share application account" in the Company's books.

40

Although the shareholders of the Company at an extraordinary general meeting held on 20th June 1973 had resolved to increase the authorised capital of the Company from \$1 million to \$2 million, no decision up to date had been taken by the Board to allot any shares to The Industrial & Commercial Realty Co.Ltd. and Arthur Lipper International Ltd. against the application monies that these two applicants had paid.

EXHIBITS

AB1

Copy of Minutes
of Board of
Directors'
Meeting of
Merchant Credit
Pte. Ltd. held
on 30th April
1975

(continued)

It was also reported that the Board Meeting held on 7th January 1975 when Mr. Arthur Lipper III was present as alternate to Mr. Crafter who was then on overseas leave, a resolution was passed to repay The Industrial & Commercial Realty Co.Ltd. the sum of \$332,500 by means of a loan raised on the land owned by the Company's subsidiary Malaysian Recreation Co. Sdn.Bhd. in Kuala Lumpur. Attempts to accomplish this had been unsuccessful and the Company was now trying to sell its shareholding in its subsidiary company. The authority for this action had been given to Mr. Crafter by a resolution in writing of the Directors signed on 17th March 1975. 10

The Board was also informed by Mr. Y.K.Hwang that he had spoken to Mr. Arthur Lipper III in December last year informing him that The Industrial & Commercial Realty Co.Ltd. had requested the repayment of the sum of \$332,500 held in the share application account of the Company because there was no possibility of the ice skating rink project in Kuala Lumpur materialising in the foreseeable future. He informed the Board that Mr. Arthur Lipper III had replied stating that the Company would repay the above-mentioned sum on 23rd January 1975 but on 17th January 1975 he received a letter from Mr. Lipper to the effect that repayment of the said sum by Merchant Credit Pte. Ltd. on the due date was unlikely. 20 30

After some discussion IT WAS RESOLVED that Mr. Crafter continues his best efforts to dispose of the land and ice skating equipment in Kuala Lumpur as speedily as possible and that the proceeds from the sales of both land and equipment should be applied to the repayment of the funds due to The Industrial & Commercial Realty Co.Ltd. and Arthur Lipper International Ltd. presently held in the "share application account" of the Company. 40

Discussion then ensued on the matter of interest payable on the share application monies received from The Industrial & Commercial Realty Co.Ltd. and Arthur Lipper International Ltd.

With Mr. Sinclair and Mr. Crafter voting for the proposition IT WAS RESOLVED that interest at the rate of twelve per cent (12%) per annum be paid on the sum of \$332,500 received from The Industrial & Commercial Realty Co.Ltd. and on the sum of \$332,500 received from Arthur Lipper International Ltd. as application monies 50

for additional shares in the Company and that such interest be paid as from 1st December 1974.

EXHIBITS

AB1

Copy of Minutes of Board of Directors' Meeting of Merchant Credit Pte. Ltd. held on 30th April 1975

(continued)

10

The Chairman, Mr. Y.K.Hwang, voted against the above resolution on the grounds that the land and ice skating equipment in Kuala Lumpur had been purchased by the Company mainly from funds held in the "share application account" and subscribed by The Industrial & Commercial Realty Co.Ltd. and Arthur Lipper International Ltd. and that both these assets which had appreciated in value would likely, on their sale, generate some profits which should be distributed by way of payment of interest to the two parties who had contributed the funds and his proposal was that the commencement date for the payment of interest should be determined only when the profit from the sale of the assets was known.

20

5. British & Eastern (M) Ltd.

30

The Managing Director, Mr. Crafter, told the Board that Mr. M.G.Murchison, managing director of British & Eastern (M) Ltd., had informed him of a very definite interest by a buyer (Mr. Kirkam), to purchase the MCPL position in that company for \$100,000 cash and the repayment in full of the trust receipt facility amounting to approximately \$138,000 by six monthly instalments commencing 1st July 1975 with interest at 10 percent on the outstanding amount of the trust receipt facility.

IT WAS RESOLVED that negotiations by Mr.Crafter along the above lines should be continued and that he report back to the Board for approval before any agreement is signed.

6. Ice Skating Rinks at Penang and Bangkok

40

It was reported to the Board that the Company had been approached by Dato H.H.Loy of Central Securities (Holdings) Bhd. Malaysia, to advise him on the construction, equipping and management of ice skating rinks in Penang and Bangkok and the formation of companies to manage this business activity.

50

At the request of Dato H.H.Loy, Mr. Crafter reported that he had proceeded to Bangkok and Penang and had examined several sites in those locations. On behalf of the Company, Mr.Crafter stated that he wrote to Dato H.H.Loy, on 13th April 1975 making certain proposals and recommendations, particular of which are contained in a

EXHIBITS

AB1

Copy of Minutes
of Board of
Directors'
Meeting of
Merchant Credit
Pte. Ltd. held
on 30th April
1975

(continued)

copy of the said letter tabled at the Meeting
and annexed hereto.

Mr. Crafter also explained the latest situation
and tabled the telex message he had received
from Dato Loy on 29th April 1975.

After due discussion and on the proposition of
Mr. Sinclair, seconded by Mr. Crafter, IT WAS
RESOLVED as follows :-

- a) That Mr. Crafter be and he is hereby
empowered to negotiate on behalf of the
Company with Dato Loy appropriate consul- 10
tancy and management agreements whereby
the Company or its nominee would act as
consultants to and managers of the proposed
ice skating rinks in Penang and Bangkok,
such agreements to be examined by the
Board of Directors prior to approval and
ratification by the Company
- b) That subject to the consent and approval
of the Board, Mr. Crafter is hereby 20
authorised to indicate to Dato Loy that
the Company or its nominee be given an
option to invest up to 10 percent of the
equity required or a maximum of US\$50,000
in each of the ice skating rink projects
in Penang and Bangkok but that no joint
and/or several guarantees can be entered
into by the Company or its nominee as
shareholders.
- c) That the above scheme is subject to the 30
condition that Dato Loy will purchase from
the Company all the ice skating rink
equipment and boots now stored in Kuala
Lumpur at a price of not less than
M\$723,973.

The Chairman, Mr. Y.K.Hwang, opposed the motion
on the ground that as the two main shareholders
of the Company had agreed in principle that the
Company was to dispose of all of its assets as
soon as possible and distribute the funds to 40
its creditors, no new commitments of such nature
should be entered into now.

7. Disposal of the Company's shareholding in
Malaysian Recreation Co. Sdn.Bhd.

A report on the latest position was given by
Mr. Crafter. It was assumed that the interested
buyers appeared to be genuine as they had called
for a copy of the memorandum and articles of

Malaysian Recreation Co Sdn.Bhd. They had also been informed of the availability of mortgage funds.

EXHIBITS

AB1

8. Sale of Property by Peony Realty(Pte)Ltd.

Copy of Minutes of Board of Directors' Meeting of Merchant Credit Pte.Ltd. held on 30th April 1975

10

The Managing Director, Mr. Crafter gave the Board a full report on the attempts being made by the Company to arrange the sale of property belonging to Peony Realty (Pte) Ltd. to Pan Electric Industries Ltd. The sale was under active negotiation and he expressed the hope that it would be successful. If it succeeded, the Company would secure a two percent commission on the selling price.

(continued)

9. Closure of Meeting

The Meeting was declared closed at 2.00 p.m.

Signed as a Correct Record

CHAIRMAN

EXHIBITS

AB1

Letter from
Arthur Lipper
III to Y.K.
Hwang

28th May 1975

EXHIBITS

AB1

LETTER FROM ARTHUR LIPPER
III TO Y.K. HWANG

ARTHUR LIPPER INTERNATIONAL LTD.

Industrial & Commercial
Bank Building
2, Shenton Way, Singapore 1
Tel: 94261/2/3
Telex: RS 21058
Cable: ARTLIPPER

10

28th May 1975

Mr. Y.K. Hwang
Industrial & Commercial Bank
2, Shenton Way,
Singapore 1

Dear YK:

Bill Crafter has indicated to me yesterday the wish of ICB, reflected to him recently, that a pro rata distribution be made of the \$200,000 MCPL deposit with ICF.

20

In principle, I would concur and have no objection to a 332,500/1,065,426 pro rated distribution (23.8% to ICR, 76.2% to ALI)

However Bill points out that the funds on deposit will be needed to support the MCPL operation, at least during the period while the assets are being liquidated. In this regard some progress seems to be in prospect as British & Eastern (M) Pte. Ltd. is being (G.Murchison reported yesterday) bought by some friends of his on a basis whereby the total loss to MCPL will be \$100,000. Similarly, the Halwan Shipping open item continues to be reduced (currently only owing \$14,000).

30

As you may be aware, the authorities in Penang have given verbal approval for the establishment of an ice rink and therefore sale, at least at accumulated cost, of the KL stored equipment is in prospect.

Therefore, the only major remaining item is the long sought sale of the land owned in Petaling Jaya by Malaysia Recreation. On Friday, Bill instructed Teo Kal Joo of UMBC to have a "for sale" sign posted on the property, giving MCPL-Singapore

40

as the party to be contacted for information. Should you wish to speed the liquidation of MCPL assets, thereby permitting a return of all borrowed and shareholders funds, I suggest that you might spend sometime visiting prospective purchasers of the land in Kuala Lumpur. As the two years have now all but passed there is no longer a tax problem requiring any share purchase. We can just sell the land.

EXHIBITS

AB1

Letter from
Arthur Lipper
III to Y.K.
Hwang

28th May 1975

(continued)

Business continues poor at Ice Skating Centre, but I am hopeful that soon to be initiated economies will improve the profit picture.

I am hopeful that we will have an opportunity of seeing each other before I leave Singapore as I would like personally to express my condolences to you.

Sincerely,

Sd: A. Lipper

Arthur Lipper III
Chairman

EXHIBITS

AB1

Letter from
Arthur Lipper
III to P.C.Tan
Chairman of
Industrial &
Commercial Bank
Ltd.

30th May 1975

EXHIBITS

AB1

LETTER FROM ARTHUR LIPPER III
TO P.C. TAN, CHAIRMAN OF
INDUSTRIAL & COMMERCIAL BANK
LTD.

ARTHUR LIPPER INTERNATIONAL LTD.

Industrial & Commercial
Bank Building
2, Shenton Way, Singapore 1 10
Tel: 94261/2/3
Telex: RS 21058
Cable: ARTLIPPER

Date
Recd . 31 MAY 1975

30th May 1975

Mr. P.C.Tan,
Industrial & Commercial Bank
2 Shenton Way
Singapore.

Dear Mr. Tan,

Enclosed please find a copy of my letters to 20
Y.K.Hwang of February 7th as well as the more
recent one of 28th May.

I await your submission of that amendment to
the shareholders' agreement you proposed
adoption at the forthcoming Merchant Credit Pte.
Ltd. EGM.

I enjoy our meeting of this morning finding it
constructive though regrettably delayed in the
history of our relationship.

Sincerely, 30

Sd: A. Lipper

Arthur Lipper III
Chairman

Industrial & Commercial Bank
Building
2, Shenton Way, Singapore 1
Tel: 94261/2/3
Telex: RS 21058
Cable: ARTLIPPER

7th February 1975

AB1

Letter from
Arthur Lipper
III to P.C.Tan
Chairman of
Industrial &
Commercial Bank
Ltd.

30th May 1975

10 Mr. Y.K.Hwang,
Industrial & Commercial Bank Bldg,
2 Shenton Way,
Singapore.

Enclosed letter
dated 7th
February 1975

Dear YK:

20 As there is such an obvious dissatisfaction
on the part of the management of Industrial &
Commercial Bank Ltd. with the progress being
made by Merchant Credit Private Limited in
raising cash sufficient to repay \$332,500 to
Industrial & Commercial Bank Realty Co.Ltd.
I suggest either of the two following plans in
substitution for those suggested in my 23rd
December 1974 letter to you which is hereby
withdrawn.

30 Plan A - Immediate disposal of all MCPL assets,
with pro-rata reduction of liabilities
as cash becomes available, and with
pro-rata distribution (through loan,
liquidating dividend or return of
capital payment) of funds remaining
after full resolution of indebtedness.
The Managing Director of MCPL, or an
ICB selected individual, or both
jointly could be made responsible for
the asset disposal program. It is
possible that an amount significantly
in excess of the Company's paid in
capital may remain after all repay-
ments. The Managing Director believes
40 that this be the case as substantial
profits are thought to attainable in
the sale of Kuala Lumpur assets. In
any case, all shareholders would be
treated equitably.

Plan B - An immediate pro-rata (to obligations)
distribution of cash assets with an
immediate purchase or sale of all the
MCPL shares held by either ICB or ALI
through the use of the Buy/Sell clause

EXHIBITS

of the MCPL shareholders agreement.

AB1

Letter from
Arthur Lipper
III to P.C.Tan
Chairman of
Industrial &
Commercial Bank
Ltd.

30th May 1975
(continued)

Enclosed letter
dated 7th
February 1975
(continued)

It is indeed unfortunate that the ICB management were not able to bring to bear as much prior assistance in finance or business generation as current pressure regarding disengagement. It is possible that a different net result could have been achieved.

Sincerely,

Sd. A.Lipper

Arthur Lipper III

10

Enclosed letter
dated 28th May
1975

ARTHUR LIPPER INTERNATIONAL LTD.

Industrial & Commercial Bank
Building
2, Shenton Way, Singapore 1
Tele: 94261/2/3
Telex: RS 21058
Cable: ARTLIPPER

28th May 1975

Mr. Y.K.Hwang
Industrial & Commercial Bank
2 Shenton Way
Singapore 1

20

Dear YK:

Bill Crafter has indicated to me yesterday the wish of ICB, reflected to him recently, that a prorata distribution be made of the \$200,000 MCPL deposit with ICF.

In principle, I would concur and have no objection to a 332,500/1,065,426 pro rated distribution (23.8% to ICR, 76.2% to ALI).

30

However Bill points out that the funds on deposit will be needed to support the MCPL operation, at least during the period while the assets are being liquidated. In this regard some progress seems to be in prospect as British & Eastern (M) Pte.Ltd. is being (G.Murchison reported yesterday) bought by

some friends of his on a basis whereby the total loss to MCPL will be \$100,000. Similarly, the Halwan Shipping open item continues to be reduced (currently only owing \$14,000).

EXHIBITS

AB1

As you may be aware, the authorities in Penang have given verbal approval for the establishment of an ice rink and therefore sale, at least at accumulated cost, of the KL stored equipment is in prospect.

Letter from Arthur Lipper III to P.C.Tan Chairman of Industrial & Commercial Bank Ltd.

30th May 1975

10

Therefore, the only major remaining item is the long sought sale of the land owned in Petaling Jaya by Malaysia Recreation. On Friday, Bill instructed Teo Kal Joo of UMBC to have a "for sale" sign posted on the property, giving MCPL-Singapore as the party to be contacted for information. Should you wish to speed the liquidation of MCPL assets, thereby permitting a return of all borrowed and shareholders funds, I suggest that you might spend sometime visiting prospective purchasers of the land in Kuala Lumpur. As the two years have now all but passed there is no longer a tax problem requiring any share purchase. We can just sell the land.

Enclosed letter dated 28th May 1975

(continued)

20

Business continues poor at Ice Skating Centre, but I am hopeful that soon to be initiated economies will improve the profit picture.

30

I am hopeful that we will have an opportunity of seeing each other before I leave Singapore as I would like personally to express my condolences to you.

Sincerely,

Sd. A.Lipper

Arthur Lipper III
Chairman

EXHIBITS

AB1

Letter from
P.C.Tan,
Chairman of
Industrial &
Commercial
Bank Ltd. to
Arthur Lipper
III

5th June 1975

EXHIBITS

AB1

LETTER FROM P.C.TAN, CHAIRMAN
OF INDUSTRIAL & COMMERCIAL BANK
LTD. TO ARTHUR LIPPER III

TPC/6966

5th June 1975

Mr. Arthur Lipper,
Arthur Lipper International Ltd.,
ICB Building,
Singapore 1.

10

Dear Mr. Lipper,

I thank you for your letter of 30th May
1975 forwarding me a copy of your letter of 28th
May 1975 to our Mr. Y.K.Hwang.

Mr. Hwang informed us that he proposed to
Mr.Crafter recently that MCPL should make a
partial repayment to the two main Shareholders
(who had contributed \$332,500 each to the Company
now placed under "Share Application A/c.") from
the funds now deposited at call with ICF for the
reasons :-

20

1. that as main Shareholders have agreed
in principle, the present policy of the
Company is to sell all assets in order
to repay to all debts, it follows that
the Company should not commit any new
projects until we review the policy
later when the Company is more liquid
and therefore only a small working fund
will then be required.
2. that the deposit with ICF at present
earmarked for working Fund appears more
than ample for reasons stated above.

30

We are of the opinion that the distribution
be not on the basis of 23.8% to ICR and 76.2% to
ALI as the Company should repay the Shareholders'
"Share Application A/c." first.

The reason being the nature of the loans are
entirely different from the very beginning since
the loans you gave to MCPL enjoyed interest of
10% and 12% from the date the loans were made
whereas no interest were paid in respect of "Share
Application A/c". It was only in December 1974

40

that you and our Mr. Hwang agreed for interest to be paid, but Mr. Crafter and Mr. Sinclair voted interest be paid from December 1974 against our Mr. Hwang's opposition at the last Board Meeting.

EXHIBIT

AB1

Letter from
P.C.Tan,
Chairman of
Industrial &
Commercial
Bank Ltd. to
Arthur Lipper
III

10

However, we are agreeable to the distribution on the basis of 23.8% to ICR and 76.2% to ALI provided the "Share Application A/c" receive interest as from date the funds were paid to MCPL.

5th June 1975

We appreciate the efforts made to sell the Ice Skating Equipment and the Land at Petaling Jaya. Since at regular brief intervals, Mr. Y.K.Hwang informed us that he was told sales would be effected soon, we had no reason to think otherwise.

(continued)

Sincerely,

Sd:

Tan Pee Cee
Chairman

20

TPC/obk/tbg

EXHIBITS
ABI

Letter from Merchant
Credit Pte.Ltd. to
Industrial &
Commercial Reality
Co. Ltd. 18th June 1975

EXHIBITS
ABI

LETTER FROM MERCHANT CREDIT
PTE.LTD. TO INDUSTRIAL &
COMMERCIAL REALITY CO. LTD.

A

Industrial & Commercial Realty Co. Ltd.

ICB Bldg., 2 Shenton Way

Singapore

18th June 1975

Date:
日期

Dear Sirs,
敬啓者

31st March 1975

B

Our records show that the balance of your account at
根據敝戶之帳簿所示閣下結帳於

is as follows:-
日之數目如下

Due from you: 閣下欠敝戶之款為 \$ _____	Due to you: 敝戶欠閣下之款為 \$ 13,300.00
---------------------------------------	---

*Interest on unpaid
dividend paid to
Merchant*

For audit purposes, we shall be obliged if you will sign this letter in the space provided below and return it in the enclosed reply-paid envelope to our Auditors, Peat, Marwick, 實，並請以附夾之特備信封將此表格寄予敝戶之查帳員畢馬威米茲公司地址新加坡 Mitchell & Co., P. O. Box 448, Singapore. If you are unable to agree to the above balance, 郵政信箱四四八號。如閣下未能同意上述之數目，請將不同處之正確數目詳情列 please write DIRECTLY TO THEM giving full details of the difference. 出直接寄至致查帳員為荷。

D

Please note that this is NOT a request for payment. You may since have settled your 此表格非為催帳單，如閣下已清償此帳，仍應有閣下之證明為憑。 account but confirmation of your account is still required.

E

Yours very truly,

William Peat

MERCHANT CREDIT PTE LTD

I/We confirm that the above balance is correct
余/余等謹此認實上述所示之數目係正確無訛。

Signature 簽名/蓋印

Serial Number

EXHIBITS

AB1

LETTER FROM INDUSTRIAL &
COMMERCIAL REALTY CO.LTD.
TO MERCHANT CREDIT PTE.LTD.

24th June, 1975

Our ref: RL/A-5923

10 The Managing Director,
Merchant Credit Pte. Ltd.,
ICB Building,
Singapore 1.

Dear Sir,

We refer to your letter of 18th June 1975 asking us to confirm the sum of \$13,300/- due by your Company to ours and shall be obliged to have details of same.

If it is in respect of interest due, kindly give the rate and for what period.

Yours faithfully,

20 For THE INDUSTRIAL & COMMERCIAL REALTY
CO.LTD.

Sd: JT

Manager

JT/OBK/cw1

EXHIBITS

AB1

Letter from
Industrial &
Commercial
Realty Co.Ltd.
to Merchant
Credit Pte.Ltd.

24th June 1975

EXHIBITS

AB1

Letter from
Merchant Credit
Pte.Ltd. to
Industrial &
Commercial
Realty Co.Ltd.
2nd July 1975

EXHIBITS

AB1

LETTER FROM MERCHANT CREDIT
PTE.LTD. TO INDUSTRIAL &
COMMERCIAL REALTY CO.LTD.

MERCHANT CREDIT PRIVATE LIMITED

Industrial & Commercial Bank
Building,
2 Shenton Way, Singapore 1
Telephone: 94261/2/3

I & C REALTY
CO.LTD.

10

Date 2 JUL 1975
Recd.

2nd July 1975

The Manager,
The Industrial & Commercial
Realty Co.Ltd.,
2 Shenton Way,
Singapore 1.

Dear Sir,

We thank you for your letter (ref. RL/A-5923)
dated 24th June 1975.

The sum of \$13,300 which you were asked to
confirm to our auditors, Messrs. Peat Marwick
Mitchell & Co. as being due by us to your good-
selves represents interest at 12% per annum for
the period 1st December 1974 to 31st March 1975
(the end of our financial year) which the Board
of Directors of this Company resolves should be
paid on the amount of \$332,500 received from
yourselves on account of shares which you applied
for in this Company.

20

A similar amount at the same rate of interest
and for the same period has been credited in
our books as being due to Arthur Lipper Inter-
national Ltd. in respect of the sum of \$332,500
that that company also paid for additional
shares.

30

We trust that the above information is sufficient
to enable to you to make confirmation direct to
our auditors.

Yours faithfully,

Sd: William H.Crafter
William H.Crafter
Managing Director

40

cc. Messrs.Peat Marwick Mitchell & Co.

EXHIBITS

AB1

LETTER FROM INDUSTRIAL &
COMMERCIAL REALTY CO.LTD.
TO MERCHANT CREDIT PTE.LTD.

5th July 1975

Our ref: RL/A-5942

10 Mr. William H. Crafter,
Managing Director,
Merchant Credit Pte. Ltd.
4th Floor, ICB Building,
SINGAPORE 1.

Dear Sir,

We thank you for your letter of 2nd July 1975 giving us the information regarding the \$13,300/- stated to be due as interest on the sum of \$332,500/- paid to you on account of shares which we applied for in your Company on 28th June 1973.

20 As the decision had been made long ago not to issue the Shares, we hereby lodge our claim for the refund of the said sum without further delay and we also hereby claim for the payment of interest at the rate of 12% p.a. from the date the money was paid to you up to the date of settlement.

Yours faithfully,

for THE INDUSTRIAL & COMMERCIAL REALTY
CO.LTD.

30 Sd: JT
Manager

JT/obk/ibc

EXHIBITS

AB1

Letter from
Industrial &
Commercial
Realty Co.Ltd.
to Merchant
Credit Pte.Ltd.

5th July 1975

EXHIBITS

AB1

Letter from
Merchant Credit
Pte.Ltd. to
Industrial &
Commercial
Realty Co.Ltd.
(Accountant)

7th July 1975

EXHIBITS

AB1

LETTER FROM MERCHANT CREDIT
PTE.LTD. TO INDUSTRIAL &
COMMERCIAL REALTY CO.LTD.
(ACCOUNTANT)

MERCHANT CREDIT PRIVATE LIMITED

Industrial & Commercial Bank
Building,
2, Shenton Way, Singapore 1
Telephone: 94261/2/3

Date
Recd. 7 JUL 1975

7th July 1975

10

The Accountant,
The Industrial & Commercial
Realty Co. Ltd.,
2 Shenton Way,
Singapore 1.

Dear Sir,

Advance of \$332,500 for application
of shares in this Company

20

For audit purposes, we shall be much obliged
if you will please confirm direct to our
auditors, Messrs. Peat Marwick Mitchell & Co.
of P.O. Box 448 Maritime Bldg., Singapore 1
that the sum of \$332,500 was advanced by your
company in connection with an application for
shares in Merchant Credit Pte. Ltd.

Kindly forward us a copy of your letter of
confirmation for our records.

Your assistance in this matter will be much
appreciated.

30

Yours faithfully,
Sd: William H.Crafter

William H.Crafter
Managing Director

cc. Messrs. Peat Marwick Mitchell & Co.

EXHIBITS

AB1

LETTER FROM MERCHANT CREDIT
PTE. LTD. TO INDUSTRIAL &
COMMERCIAL REALTY CO. LTD.
(Manager)

EXHIBITS

AB1

Letter from
Merchant Credit
Pte. Ltd. to
Industrial &
Commercial
Realty Co.Ltd.
(Manager)

MERCHANT CREDIT PRIVATE LIMITED

7th July 1975

10 I & C REALTY CO.LTD. Industrial & Commercial Bank
Building,
2, Shenton Way, Singapore 1.
Telephone: 94261/2/3

Date 9 JUL 1975 7th July 1975
Recd.

The Manager,
The Industrial & Commercial
Realty Co.Ltd.,
Mezz Floor ICB Building,
2 Shenton Way,
Singapore 1.

20 Dear Sir,

Reference your letter dated 5th July 1975
regarding the repayment of the share application
account and interest you claim thereon.

This matter is being dealt with between your
Chairman, Directors and shareholders of this
company and we see no advantage in its being
dealt with on two levels.

Yours faithfully,
Sd: William H.Crafter

30 William H.Crafter
Managing Director

cc. Mr. Arthur Lipper III

EXHIBITS

AB1

Letter from
Industrial &
Commercial
Realty Co.Ltd.
to Merchant
Credit Pte.Ltd.

9th July 1975

EXHIBITS

AB1

LETTER FROM INDUSTRIAL &
COMMERCIAL REALTY CO.LTD.
TO MERCHANT CREDIT PTE. LTD.

INDUSTRIAL & COMMERCIAL
REALTY CO. LTD.

Mezz Floor ICB Building, 2 Shenton Way,
Singapore 1 Tel: 984263

Our ref: RL/A-5950

9th July 1975

10

Major William H.Crafter,
Managing Director,
Merchant Credit Pte. Ltd.
4th Floor, ICB Building,
2 Shenton Way,
SINGAPORE 1

Dear Sir,

In reply to your letter of 7th July 1975,
since you sent us the confirmation letter to be
signed by us to be given to the Auditors regard-
ing the interest due, we have therefore to state
our position clearly on this matter.

20

Further our Mr. Y.K.Hwang stated that the
the MCPL Directors' Meeting he insisted that
said interest should be paid as from 28th June
1973 when the sum of \$332,500/- was paid to
MCPL and not as from 1st December 1974.

We welcome the matter being dealt with at
our Chairman, Directors and Shareholders of your
Company's level and pending agreement, it is not
inconsistent to state our stand particularly as
we were asked to do so in respect of the Certifi-
cate to be sent to the Auditors.

30

Yours faithfully,

for THE INDUSTRIAL & COMMERCIAL REALTY
CO. LTD.

Sd: (Illegible)

Manager

JT/obk/ihc

EXHIBITS

AB1

LETTER FROM INDUSTRIAL &
COMMERCIAL REALTY CO.LTD.
TO PEAT, MARWICK, MITCHELL
& CO.

EXHIBITS

AB1

Letter from
Industrial &
Commercial
Realty Co.Ltd.
to Peat,
Marwick, Mitchell
& Co.

9th July 1975

9th July 1975

Our ref: RL/A-5951

10 Peat, Marwick, Mitchell & Co.,
P.O. Box 448,
SINGAPORE

Dear Sirs,

MERCHANT CREDIT PTE.LTD. -
CONFIRMATION OF BALANCE
OF ACCOUNT

20 We refer to Merchant Credit Pte. Ltd's
letter dated 18th June 1975, copy attached,
in which we were requested to confirm that
the balance due from their Company to our
Company is \$13,300.00.

We are not confirming this balance and
enclose a photostat copy of our letter dated
5th July 1975 to Merchant Credit Pte. Ltd.,
regarding this matter, for your information.

Yours faithfully,

for THE INDUSTRIAL & COMMERCIAL REALTY
CO. LTD.

Sd: JT
Manager

30 Encls.
JT/ihc
cc. Merchant Credit Pte. Ltd.

EXHIBITS

AB1

Letter from
Merchant Credit
Pte.Ltd. to
Industrial &
Commercial
Realty Co.Ltd.

22nd July
1975

EXHIBITS

AB1

LETTER FROM MERCHANT CREDIT
PTE. LTD. TO INDUSTRIAL &
COMMERCIAL REALTY CO.LTD.

MERCHANT CREDIT PRIVATE LIMITED

I & C REALTY
CO.LTD.

Date 22 JUL 1975
Recd.

Industrial & Commercial Bank
Building,
2, Shenton Way, Singapore 1
Telephone: 94261/2/3

22nd July 1975

10

The Industrial & Commercial
Realty Co.Ltd.,
2 Shenton Way,
Singapore 1.

Dear Sirs,

Reference your letter RL/A-5950 dated 9th July
1975.

We must repeat that the Board of Directors of
this Company authorised the undersigned to pay
interest on the share application account moneys
from 1st December 1974 only.

20

We therefore enclose a cheque for \$13,300 being
interest at 12 percent with effect from 1st
December 1974 up to 31st March 1975.

Yours faithfully,

Sd: William H.Crafter

William H.Crafter
Managing Director

EXHIBITS

AB1

LETTER FROM INDUSTRIAL &
COMMERCIAL REALTY CO. LTD.
TO MERCHANT CREDIT PTE.LTD.

EXHIBITS

AB1

Letter from
Industrial &
Commercial
Realty Co.Ltd.
to Merchant
Credit Pte.Ltd.

23rd July 1975

INDUSTRIAL & COMMERCIAL REALTY CO.LTD.
Mezz Floor ICB Building 2 Shenton Way
Singapore 1. Tel: 984263

Our ref: RL/A-5971 23rd July 1975

10 Major William H.Crafter,
Managing Director,
Merchant Credit Pte. Ltd., Reference "G"
4th Floor, ICB Building,
2 Shenton Way,
SINGAPORE 1

Dear Sir,

THE SUM OF \$332,500/- PAID TO
YOU BY US ON 28TH JUNE 1973
RE SHARE APPLICATION ACCOUNT

20 We acknowledge receipt of your letter of
22nd July 1975 forwarding us cheque for
\$13,300/- being payment of interest due on the
above for the period from 1st December 1974 to
31st March 1975 and forward herewith our
receipt for same.

Please note the receipt of this payment is
without prejudice to our claim for interest due
as from 28th June 1973.

Yours faithfully,

30 for THE INDUSTRIAL & COMMERCIAL REALTY
CO.LTD.

Sd: (Illegible)

Manager

Encl.
JT/obk/ihc

EXHIBITS

AB1

Official
Receipt of
Industrial &
Commercial
Realty Co.Ltd.
made in favour
of Merchant
Credit Pte.Ltd.
for sum of
\$13,300/- being
interest due for
period 1.12.74
to 31.3.75 on
the sum of
\$332,500/-

23rd July 1975

EXHIBITS

AB1

OFFICIAL RECEIPT OF INDUSTRIAL
& COMMERCIAL REALTY CO. LTD.
MADE IN FAVOUR OF MERCHANT
CREDIT PTE. LTD. FOR SUM OF
\$13,300/- BEING INTEREST DUE
FOR PERIOD 1.12.74 TO 31.3.75
ON THE SUM OF \$332,500/-

THE INDUSTRIAL & COMMERCIAL REALTY CO.LTD. 10
(Incorporated in Singapore)

No. 9070

RECEIPT REGISTER

Date 23rd July 1975

Received from Messrs. Merchant Credit Private
Limited

Dollars Thirteen thousand and three hundred
only (\$13,300-00) ICB Cheq.No.912072

Being interest due for the period from 1st
December 1974 to 31st March 1975 at 12% p.a. 20
in respect of the sum of \$332,500-00 paid to
you on Share Application Account; without
prejudice to our claim for interest due as from
28th June 1973.

For THE INDUSTRIAL & COMMERCIAL REALTY
CO. LTD.

Sd: JT

Authorized Signature

EXHIBITS

AB1

LETTER FROM MERCHANT CREDIT
PTE. LTD. TO INDUSTRIAL &
COMMERCIAL REALTY CO. LTD.

EXHIBITS

AB1

Letter from
Merchant Credit
Pte. Ltd. to
Industrial &
Commercial
Realty Co.Ltd.
26th July 1975

MERCHANT CREDIT PRIVATE LIMITED

10

I & C REALTY
CO.LTD.

Industrial & Commercial
Bank Building,
2, Shenton Way, Singapore 1
Telephone: 94261/2/3

Date 29 JUL 1975
Recd.

26th July 1975

The Manager,
The Industrial & Commercial
Realty Co.Ltd.,
Mezz Floor,
ICB Bldg.,
2 Shenton Way,
Singapore 1.

20

Dear Sir,

Thank you for your letter reference RL/A-5971
dated 23rd July 1975 and the receipt for the sum
of \$13,300 being interest due to you for the
period 1st December 1974 to 31st March 1975.

30

Regarding your second paragraph stating that this
payment is "without prejudice" to your claim for
interest due as from 28th June 1973, please
understand that I am authorised by the Board of
Directors to pay you interest as from 1st December
1974 only. This company did not borrow funds
from you and has no commitment to pay you interest
prior to 1st December 1974. You are fully aware
of this.

This letter will serve to deny that there is any
liability to you to pay interest on the sum of
\$332,500 paid by you into this company as share
application funds.

40

Yours faithfully,
Sd: William H.Crafter
William H.Crafter
Managing Director

EXHIBITS

AB1

Letter from
Yin Ee Kheng
to Merchant
Credit Pte.Ltd.

26th August
1975

EXHIBITS

AB1

LETTER FROM YIN EE KHENG
TO MERCHANT CREDIT PTE.LTD.

YIN EE KHENG

Room 401 (4th Floor)
Afro-Asia Building
ADVOCATE AND SOLICITOR
COMMISSIONER FOR OATHS
63 Robinson Road
Singapore 1 P.O.Box 1389 10
Tel: 917244 (2 lines)

BY HAND

Your ref:
My ref: YEK/AN/475/75

26th August 1975

The Managing Director,
Merchant Credit Pte.Ltd.,
Room 425, 4th Floor, ICB Building,
2 Shenton Way,
Singapore 1.

Dear Sir,

20

re: Share Application Account

I act for The Industrial & Commercial Realty
Co.Ltd. and would refer to the above Share
Application Account in the sum of \$332,500-00
which was paid to you by my clients on the 28th
of June, 1973.

I am instructed that several requests have
been made by my clients for the repayment of the
said sum of \$332,500-00 and it is regretted that
to date no such payment has been made by your
Company.

30

As the original purpose for the payment of
the said sum of \$332,500-00 no longer holds good,
I am now instructed by my clients to ask for the
refund of the said sum of \$332,500-00 immediately
without prejudice to my clients' right to claim
interest on the said sum of \$332,500-00 since
the date of payment in.

I should be pleased, therefore, if you would
let me know when you propose to repay the said
sum of \$332,500-00 to my clients immediately on
receipt of this letter.

40

Yours faithfully,
Sd: (Illegible)

EXHIBITS

AB1

LETTER FROM MERCHANT CREDIT
PTE. LTD. TO YIN EE KHENG

MERCHANT CREDIT PRIVATE LIMITED

RECEIVED
27 AUG 1975

Industrial & Commercial
Bank Building,
2, Shenton Way, Singapore 1
Telephone: 94261/2/3

10

27th August 1975

Yin Ee Kheng,
Advocate & Solicitor,
63 Robinson Road,
Singapore 1

Dear Sir,

Thank you for your letter YEK/AN/475/75 dated
26th August 1975.

20

I am now calling a meeting of the Board of
Directors of this Company to discuss your letter
and decide on what action to take. I will
inform you immediately as to the decision of
the Board.

Yours faithfully,

Sd: William H. Crafter

William H. Crafter
Managing Director

EXHIBITS

AB1

Letter from
Merchant Credit
Pte. Ltd. to
Yin Ee Kheng

27th August
1975

EXHIBITS

AB1

Letter from
Chor Pee & Hin
Hiong to Yin
Ee Kheng
together with
enclosed letter
from Arthur
Lipper Inter-
national Ltd.
to Chor Pee &
Hin Hiong dated
5th September
1975
6th September
1975

EXHIBITS

AB1

LETTER FROM CHOR PEE & HIN
HIONG TO YIN EE KHENG TOGETHER
WITH ENCLOSED LETTER FROM
ARTHUR LIPPER INTERNATIONAL
TO. TO CHOR PEE & HIN HIONG
dated 6th September 1975

CHOR PEE & HIN HIONG
Advocates & Solicitors
Commissioners for Oaths
9th Floor, U.I.C. Building,
Shenton Way, Singapore 1
Telephone:
Cable:
Date
Recd. 9 SEP 1975
Telex:
10

LCP/lyy/1063-75
YEK/AN/475/75
6th September 1975

Yin Ee Kheng Esq.
Advocate and Solicitor
Room 401 (4th Floor)
Afro-Asia Building,
63 Robinson Road,
Singapore 1.
20

Dear Sirs,

Re: Share Premium Account

We act for Merchant Credit Private Limited which
has sent to us a copy of letter dated 26th August
1975.

We also refer to the telephone conversation
between our Mr. Lim Chor Pee and yourself when
we requested for time to consider this matter
in view of the fact that our Mr. Lim Chor Pee
will be out of the country for about two weeks.
30

In this connection, we forward herewith a letter
from the Managing Director of Arthur Lipper
International Ltd. which is self-explanatory.

In the meanwhile, we confirm that you have
agreed to hold on any further action until our
Mr. Lim returns.

Yours faithfully,
Sd: (Illegible)
40

Encl:
c.c. Clients

ARTHUR LIPPER INTERNATIONAL LTD.
ROOM 425 I.C.B. BUILDING
2, SHENTON WAY,
SINGAPORE 1

EXHIBITS

AB1

6th September 1975

Mr. Lim Chor Pee & Hin Hiong,
9th Floor U.I.C. Building,
Shenton Way,
Singapore 1.

Letter from
Chor Pee & Hin
Hiong to Yin
Ee Kheng
together with
enclosed letter
from Arthur
Lipper Inter-
national Ltd.
to Chor Pee &
Hin Hiong dated
6th September
1975

10 Dear Mr. Lim,

Following our conversation this morning this letter will serve to confirm that this company will take no action regarding the demand for payment by the Industrial and Commercial Realty Company Pte. Ltd. during your absence from Singapore. Please inform the attorney for the Industrial and Commercial Realty Co. Pte. Ltd. of this and that we do not conduct our affairs by taking advantage of such situations.

6th September
1975

(continued)

20

Yours sincerely,
Sd: William H.Crafter
William H.Crafter
Managing Director

EXHIBITS

AB1

Letter from
Yin Ee Kheng
to Merchant
Credit Pte.Ltd.

8th September
1975

EXHIBITS

AB1

LETTER FROM YIN EE KHENG
TO MERCHANT CREDIT PTE.LTD.

Room 401 (4th Floor)
Afro-Asia Building
ADVOCATE AND SOLICITOR
COMMISSIONERS FOR OATHS
63 Robinson Road,
Singapore 1 P.O.Box 1389
Tel: 917244 (2 lines)

YIN EE KHENG
Received 14.25p
8th September 1975.

10

BY HAND

Your ref:
My ref: YEK/AN/475/75

8th September 1975

The Managing Director,
Merchant Credit Pte.Ltd.,
Room 425, 4th Floor, ICB Building,
2 Shenton Way,
Singapore 1.

Dear Sir,

20

re: Share Application Account

Following your letter of the 27th August,
1975, my clients have handed me a copy of a
letter from you to Mr. P.C.Tan of the Industrial
& Commercial Bank Limited.

My clients are only concerned with their
claim and you will agree that this matter has
been outstanding for an inordinate length of
time. The amount involved is considerable and
by your not returning the said sum of \$332,500-00
to my clients, they have been deprived of putting
the said amount into more profitable use.

30

I am therefore instructed to say that unless
satisfactory arrangements are made by you for
the repayment of the said sum of \$332,500-00 to
me as Solicitor for my clients or to my clients
direct forthwith, my clients will be compelled
to take immediate steps to recover the said sum
of \$332,500-00 with interest without further
notice to you.

40

Yours faithfully,
Sd: (Illegible)

c.c. Clients

EXHIBITS

AB1

LETTER FROM CHOR PEE & HIN
HIONG TO YIN EE KHENG

EXHIBITS

AB1

Letter from
Chor Pee & Hin
Hiong to Yin
Ee Kheng

9th October
1975

CHOR PEE & HIN HIONG
Advocates & Solicitors,
Commissioners for Oaths
9th Floor, U.I.C. Building,
Shenton Way, Singapore 1
Telephone:
Cable: JUDICATA Telex:

10

LCP/lyy/1063/75
YEK/AN/475/75

9th October 1975

Yin Ee Kheng Esq.
Room 401 (4th Floor)
Afro-Asia Building
63 Robinson Road
Singapore 1.

20

Dear Sir,

Re: Share Application Account
Merchant Credit Private Limited

We thank you for your letter dated 9th September
1975.

We are grateful to you for your indulgence.

The circumstances under which the payment was
made by your client as shareholder of the
company are such that your client is not entitled
to ask for the payment to be refunded on demand.

30

We have advised our client that it is entitled
to rely on the equitable doctrine of estoppel
as our client the Company has acted on the
representation of your client, thereby altering
its position.

Accordingly, our client intends to rely on the
well known High Trees Case (1947) K.B.130.

40

The two main shareholders, your client and
Arthur Lipper International Limited (ALI), paid
a sum of \$332,500 each to the Company as share
subscription. Both sums were paid into a bank
account entitled Share Application Account. The
payments were made to the Company on the

EXHIBITS

AB1

Letter from
Chor Pee &
Hin Hiong to
Yin Ee Kheng
9th October
1975

(continued)

understanding that the Company was to utilise the funds as capital investment for the purchase of a piece of land and machinery to operate an ice skating rink in Kuala Lumpur.

The designation of the account shows clearly that the funds were intended for the share capital of the Company, and not simply as an ordinary loan repayable on demand.

The directors (one of whom was your client's nominee) held back the actual allotment of shares in respect of these payments because the Company had not successfully initiated the project. Nonetheless, the said capital funds were utilised for the purchase of land and machinery for the Kuala Lumpur project pursuant to the intention of the shareholders.

10

For various reasons which we need not go into this stage, and which are well known to your client, the project became stuck, through no fault of the Company.

20

The fact remains that on the representation of the shareholders, the Company's position had been altered in that the said share subscription money has been invested in land and machinery.

Efforts are now being made by the Company to sell the land and the ice skating rink machinery, which as your client well knows, is not a commodity that can be easily sold at a good price, unless it should be sold for scrap.

Therefore, having led our clients, the Company to alter its position, it is inequitable for your client at this stage, to turn round and demand repayment of the original share application money. If your client insists on hasty liquidation of the Company's assets, this will also affect the position of the other shareholder, ALI, which is prepared to wait for the appropriate time when the land and machinery can be sold.

30

Therefore, if any action is brought against the Company, it will be resisted on the above grounds.

40

Yours faithfully,

Sd: (Illegible)

c.c. Client

EXHIBITS

AB1

LETTER FROM YIN EE KHENG
TO CHOR PEE & HIN HIONG

LCP/1yy/1063/75
YEK/AN/475/75

10th October 1975

M/s. Chor Pee & Hin Hiong,
Singapore.

10

Dear Sirs,

re: Share Application Account
Merchant Credit Pte. Ltd.

I acknowledge receipt of your letter of
the 9th instant and will revert to you after
I have taken my clients' further instructions.

Yours faithfully,

EXHIBITS

AB1

Letter from
Yin Ee Kheng
to Chor Pee &
Hin Hiong

10th October
1975

EXHIBITS

AB1

Letter from
Yin Ee Kheng
to Chor Pee &
Hin Hiong

28th October
1975

EXHIBITS

AB1

LETTER FROM YIN EE KHENG
TO CHOR PEE & HIN HIONG

Room 401 (4th Floor)
Afro-Asia Building
ADVOCATE AND SOLICITOR
COMMISSIONER FOR OATHS
63 Robinson Road,
Singapore 1 P.O.Box 1389 10
Tel: 917244 (2 lines)

Your ref: LCP/1yy/1063/75
My ref: YEK/AN/475/75

28th October 1975

M/s. Chor Pee & Hin Hiong,
Singapore.

Dear Sirs,

re: Share Application Account
Merchant Credit Pte. Ltd.

Further to my letter of the 10th instant, I 20
am now instructed by my clients that there can
be no estoppel as raised in your letter of the
9th instant.

I am further instructed to state that the
minutes of the Board of Directors' Meetings held
on the 7th January 1975 and 30th April 1975
reveal an entirely different state of events as
alleged by you. Further, the Balance Sheet of
your clients as at 31st March 1974 refers to my
clients as one of the "Current Liabilities". 30

In the premises, I am therefore instructed
to and do hereby demand from your clients the
said sum of \$332,500-00 plus interest at the
rate of 12% per annum from the date the said
sum was paid to your clients which said sum plus
interest must be paid to me as solicitor for my
clients within fourteen (14) days from the date
of this letter, failing which, my clients will
be compelled to institute proceedings against 40
them for the recovery of the same without further
notice, in which event, please let me know
if you have instructions to accept service of
such proceedings.

cc: Clients
Yours faithfully,
Sd: (Illegible)

EXHIBITS

AB1

COPY OF MINUTES OF BOARD
OF DIRECTORS' MEETING OF
MERCHANT CREDIT PTE.LTD.
HELD ON 11th November 1975

EXHIBITS

AB1

Copy of Minutes
of Board of
Directors'
Meeting of
Merchant Credit
Pte.Ltd. held
on 11th
November 1975

MERCHANT CREDIT PRIVATE LIMITED

Industrial & Commercial
Bank Building,
2, Shenton Way,
Singapore 1.
Telephone: 94261/2/3

10

Minutes of a Board of Directors meeting held at
5.20 PM on 11th November, 1975, in the Companies
registered office.

1. Resolved

20

a. that the audited Profit & Loss Account of
the Company for the financial year ended
31st March 1975 and the audited Balance
Sheet of the Company at 31st March 1975
be and the same are hereby approved for
submission to shareholders at the forth-
coming Annual General Meeting of the Company.
That the auditors be asked to change the
wording of note 5 first sentence as proposed
by Mr. Ong.

30

b. that the Directors' Report in respect of
the state of the Company's affairs at 31st
March 1975 be and the same is hereby
approved for submission to shareholders at
the forthcoming Annual General Meeting of
the Company and that Mr. Donald F.H.Sinclair
and Mr. William Henry Crafter, Directors
of the Company, be and they are hereby
authorised to sign the said Report in
accordance with the provisions of Section
169 of the Companies Act (Cap.185).

40

c. that the Statement by the Directors on the
audited Profit & Loss Account and Balance
Sheet of the Company for the year ended
31st March 1975 be signed by Mr. Donald F.
H.Sinclair and Mr. William Henry Crafter on
behalf of the Directors in accordance with
the provisions of Section 169 of the
Companies Act (Cap.185).

d. that Messrs. Peat, Marwick Mitchell & Co.,

EXHIBITS

AB1

Copy of Minutes
of Board of
Directors'
Meeting of
Merchant Credit
Pte. Ltd. held
on 11th
November 1975
(continued)

- the retiring Auditors, having intimated their willingness to continue in office, a recommendation be made to shareholders at the forthcoming Annual General Meeting of the Company that they be re-appointed as Auditors of the Company.
2. Resolved:
- a. that William H.Crafter, Managing Director of this Company, be and he is hereby appointed as this Company's proxy to attend and vote on its behalf at the Third Annual General Meeting of Shenton Travel Associates Private Limited to be held on 14th November, 1975 and at any adjournment thereof. 10
- b. that authority be and is hereby given for the affixture of the Common Seal of the Company to the instrument appointing William H.Crafter as this Company's proxy at the abovementioned Third Annual General Meeting of Shenton Travel Associates Private Limited. 20
3. Share application account monies. The correspondence regarding ICR's claim to be entitled to immediate repayment of share application money was discussed. Mr. Ong stated that the money must be repaid at once and that the fixed deposit with ICF should be used for this purpose. Mr. Sinclair stated that it should not be used as it was needed for working capital until assets had been sold sufficient to repay all creditors. It was his opinion that the Directors would have a personal liability if they allowed the repayment of the share application money to be made while there were still creditors of the company. Mr.Crafter stated that it had been agreed at previous meetings to sell assets to repay creditors and that this was the only business the company is now engaged in. He also pointed out that ALI had a loan of over \$732,000 which would take priority in any repayment. Mr. Crafter stated that there seemed to be no reason why repayment of share application funds should be made to ICR in priority to other creditors or Arthur Lipper International. 30 40 50

Resolved:

EXHIBITS

AB1

Copy of Minutes
of Board of
Directors'
Meeting of
Merchant Credit
Pte.Ltd. held
on 11th
November 1975

(continued)

- 10
- a. That Mr. Crafter request legal opinion as to the liability of Directors of the Company in the event that they allowed payment of share application funds to ICR in priority to other creditors.
- b. That the fixed deposit now with ICF is not to be used to repay share application funds as it is not in the majority of shareholders interest to do so and the deposit will be used as necessary to operate the company.
- c. That the Companies lawyers be instructed to resist any attempt by ICR to obtain repayment of share application funds until assets are sold and repayment can be made in order of creditors priority. (Mr. Ong voted against resolution 3b and 3c)
- 20
4. K.L. Land. The letter dated 3 November, 1975, reference S/19/75 from Jones, Lang, Wootton was tabled.

Resolved:

- a. That independent lawyers in KL be engaged to advise
- (1) whether the lawyers and sellers have any liability for negligence, fraudulent representation etc.
- (2) as to the date on which the planning was made official and what notification had been given.
- 30
- (3) as to the position under the National Land Code.
5. British & Eastern (M). Mr. Crafter stated that the company had had sales of over \$90,000 last month the highest in five years.
6. Shenton Travel Associates. Mr. Crafter reported profits of \$80,000 in year ending June 1975 a most satisfactory result for a new company.

40

Sd: William Crafter

EXHIBITS

AB1

Letter from
Yin Ee Kheng
to Chor Pee &
Hin Hiong

14th November
1975

EXHIBITS

AB1

LETTER FROM YIN EE KHENG
TO CHOR PEE & HIN HIONG

LCP/1yy/1063/75
YEK/AN/475/75

14th November 1975

M/s Chor Pee & Hin Hiong
Singapore.

Dear Sirs,

re: Share Application Account
Merchant Credit Pte.Ltd.

I refer to my letter of the 28th October
1975 and should be pleased if you would let me
know whether you have instructions to accept
service on behalf of your clients.

Yours faithfully,

cc: Clients

10

EXHIBITS

AB1

Copy of Minutes
of Board of
Directors'
Meeting of
Merchant Credit
Pte.Ltd. held
on 25th
November 1975

EXHIBITS

AB1

COPY OF MINUTES OF BOARD OF
DIRECTORS' MEETING OF MERCHANT
CREDIT PTE. LTD. HELD ON
25th November 1975

MERCHANT CREDIT PRIVATE LIMITED

Industrial & Commercial Bank
Building,
2, Shenton Way, Singapore 1.
Telephone: 94261/2/3

Minutes of a Board Meeting held at 9.30 a.m.
25th November, 1975. Present Mr. William H.
Crafter, Mr. Donald F.H.Sinclair, Mr. Ong Bee Kok
and attending by invitation Mr.Arthur Lipper III

20

30

(alternate to William H.Crafter)

EXHIBITS

AB1

The meeting opened with William H.Crafter giving a resume of the situation with the Share Application Account which had led up to the present situation which required action by the Board.

Copy of Minutes of Board of Directors' Meeting of Merchant Credit Pte.Ltd. held on 25th November 1975

Discussion followed in which various points of views were expressed. To summarise:

(continued)

10 Mr. Ong was concerned that the deposit presently with the Industrial & Finance Company Limited was being used up and no sale of assets had yet taken place. The deposit could all be used up quite soon unless it were paid to the Industrial & Commercial Realty Company Limited now. It was up the management of Merchant Credit Private Limited to sort out how the assets would be sold after removal of the deposit. He said the bank was unwilling to purchase any of the assets of Merchant Credit Private Limited. To Mr Sinclair's comment regarding the Monetary Authority of Singapore he said the Bank would welcome the move.

20 Mr. Crafter stated that operating expenses of Merchant Credit Private Limited had to be met from the deposit as new income was not being generated as now new business was being undertaken at the request of Industrial & Commercial Bank Ltd. Present revenues were insufficient to cover expenses. The removal of the deposit would mean that the company would cease to function and there would be nobody attempting to sell assets.

30 Mr. Sinclair wished it to be recorded that he thought that the bank had been irresponsible in its behaviour. He said that it was a matter he felt like bringing to the attention of the Monetary Authority. He said the Directors had a responsibility to all creditors not only to the Industrial & Commercial Realty Company Ltd and that failing to ensure equitable treatment of all creditors especially in relation to shareholders funds could involve the directors in a personal liability. The lack of support and negative attitude from the Industrial & Commercial Bank Ltd. had contributed to the present situation. The directors had agreed that the company stop new business and try to find buyers for the main assets. The company was doing this but if a principal shareholder was trying to grab first without making any constructive proposal of how to expedite disposal of the assets he must object

EXHIBITS

AB1

Copy of Minutes
of Board of
Directors'
Meeting of
Merchant Credit
Pte.Ltd. held
on 25th
November 1975
(continued)

most strongly. The assets were not a type that would get anywhere near their real value if mentioned off by a liquidator. (Mr. Ong said this was not the Banks view point).

Mr. Sinclair proposed, and Mr. Crafter seconded, the motion that the shares paid for in June 1973 be issued to both Arthur Lipper International Limited and Industrial & Commercial Realty Company Ltd., 332,500 shares to each. All previous resolutions referring to the share application account repayment plans to be revoked. The proposal was carried with Mr. Sinclair and Mr. Crafter voting for the motion and Mr. Ong voting against.

10

Mr. Crafter requested the Boards' agreement to allow Jones, Lang, Wootton to approach the correct authority in Kuala Lumpur to request them to purchase the land owned by Malaysia Recreation Sdn.Bhd. for \$10 per square foot. Resolved that Mr.Crafter request Jones, Lang, Wootton to take this action.

20

EXHIBITS

AB1

Copy of Minutes
of Board of
Directors'
Meeting of
Merchant Credit
Pte.Ltd. held
on 28th
November 1975

EXHIBITS

AB1

COPY OF MINUTES OF BOARD OF
DIRECTORS' MEETING OF
MERCHANT CREDIT PTE LTD), HELD
ON 28th November 1975

MERCHANT CREDIT PRIVATE LIMITED
DIRECTORS' MEETING

Date and Time: Friday, 28th November, 1975
at 9.15 a.m.

30

Place: Suite 425, 4th Floor, ICB
Building, 2 Shenton Way,
Singapore 1

Present: Mr. William Henry Crafter
(Chairman)
Mr. Donald Frank Harvey Sinclair
Mr. Ong Bee Kok

In Attendance: Mrs. Jean Kam (Secretary)

Mr. William Henry Crafter was appointed Chairman of the Meeting. The Chairman called the Meeting to order at 9.15 a.m.

EXHIBITS

AB1

Copy of Minutes of Board of Directors' Meeting of Merchant Credit Pte. Ltd. held on 28th November 1975

1) EXTRAORDINARY GENERAL MEETING

RESOLVED -

10 THAT an Extraordinary General Meeting be held on Tuesday, 16th of December, 1975 at 10.00 a.m. at Suite 425, Industrial & Commercial Bank Building, 2 Shenton Way, Singapore 1 for the purpose of considering and, if thought fit, passing the following ordinary resolution :-

(continued)

"THAT the Directors be and are hereby authorised to allot 665,000 ordinary shares of \$1/- each in the capital of the Company at par to the undermentioned parties in the following proportions:-

	<u>Name</u>	<u>No of Shares of \$1/- each</u>
20	1. Arthur Lipper International Limited c/o Deacons, Union House, 6th Floor, Chater Road, Hong Kong	332,500
30	2. Industrial & Commercial Realty Company Limited Industrial & Commercial Bank Building 2 Shenton Way, Singapore 1	332,500
		<u>665,000</u> "

THAT the Secretary of the Company be instructed to give notice of the Meeting accordingly.

2) ANY OTHER BUSINESS - ANNUAL GENERAL MEETING

40 RESOLVED -

THAT the 3rd Annual General Meeting of the Company be held on Tuesday, 16th of December, 1975 immediately after the Company's Extraordinary General Meeting at 10.30 a.m. at Suite 425, Industrial &

EXHIBITS

AB1

Copy of Minutes
of Board of
Directors'
Meeting of
Merchant Credit
Pte.Ltd. held
on 28th
November 1975
(continued)

Commercial Bank Building, 2 Shenton Way,
Singapore 1.

THAT the Secretary of the Company be
instructed to give notice of the Meeting
accordingly.

There being no other business, the Meeting
terminated with a vote of thanks to the Chair.

.....

CHAIRMAN

S/DH/aw

10

EXHIBITS

AB1

LETTER FROM THE MANAGER
OF THE INDUSTRIAL & COMMERCIAL
REALTY CO.LTD. TO THE MANAGING
DIRECTOR OF MERCHANT CREDIT
PTE. LTD.

EXHIBITS

AB1

Letter from the
Manager of the
Industrial &
Commercial
Realty Co.Ltd.
to the Managing
Director of
Merchant Credit
Pte.Ltd.

27th February
1976

10

THE INDUSTRIAL & COMMERCIAL REALTY CO.LTD.
Mezz Floor ICB Building 2 Shenton Way
Singapore 1 Tel. 964263

Our ref: RL/A-6415 27th February 1976

The Managing Director,
Merchant Credit Pte.Ltd.,
ICB Building,
Singapore 1

Dear Sir,

For audit purposes, kindly confirm direct
to our Auditors :-

20

M/s Coopers & Lybrand
Supreme House,
Penang Road,
Singapore 9

that the sum of \$332,500/- was paid by us on
28.6.1973 to you in respect of our application
for 332,500 Shares in your Company, and that
the said money is still held by you.

Please let us have a copy of your
confirmation.

30

Yours faithfully,
for THE INDUSTRIAL & COMMERCIAL REALTY
CO.LTD.

Sd: (Illegible)
Manager

JT/obk/mt

RECEIVED
1 MAR 1976

Photostat copy sent to
M/s. Chor Pee & Hin Hiong
on 14.3.77 in connection
with Suit No.1413 of 1976

EXHIBITS

AB1

Accounts of
Merchant Credit
Pte.Ltd. for
year ended
31st March
1976

EXHIBITS

AB1

ACCOUNTS OF MERCHANT
CREDIT PTE.LTD. FOR
YEAR ENDED 31st March
1976

MERCHANT CREDIT PRIVATE LIMITED

(Incorporated in the Republic of Singapore)

REPORT OF THE DIRECTORS

Your directors have pleasure in submitting the accounts of the Company for the year ended 31st March 1976. 10

Principal Activities

The principal activities of the company in the course of the financial year have been those relating to merchant banking business, underwriters, financiers and promotion and establishment of companies. There have been no significant changes in such activities during the year. 20

<u>Accounts</u>	<u>1 9 7 6</u>	<u>1 9 7 5</u>	
	S\$	S\$	
(Loss)/profit for the year after taxation	(266,181)	103,142	
Add:			
Extraordinary items - Provision for diminution in value of:			
Shares in subsidiary Investments	165,000 53,554	- -	30
	(218,554)	-	
	<u>(484,735)</u>	<u>103,142</u>	
Accumulated loss brought forward	(70,667)	(173,809)	
Accumulated loss carried forward	<u>S\$ (555,402)</u>	<u>S\$ (70,667)</u>	

Since the end of the last financial year, no dividend has been paid in respect of that year. No dividend has been paid or is proposed to be paid in respect of the year under review. 40

10 During the year, S\$218,554 was provided for diminution in value of shares in the subsidiary (S\$165,000) and investments (S\$53,554) as the directors are of the opinion that these are realistic estimates of the diminution in value of these investments. Subject to this, in our opinion, the results of the company's operations have not been affected by any item, transaction or event of a material and unusual nature.

EXHIBITS

AB1

Accounts of Merchant Credit Pte.Ltd. for year ended 31st March 1976

(continued)

20 In arriving at the results of the year, we have taken reasonable steps to ascertain and satisfy ourselves that all known bad debts have been written off and that adequate provision has been made for doubtful debts. Reasonable steps have also been taken to ensure that all current assets which are unlikely to realise their book value in the ordinary course of business have been written down to an amount which they may be expected to realise.

Capital Issues

During the year the company issued 665,000 ordinary shares of \$1 each at par in settlement of two loans of S\$332,500 each.

Directorate

The Directors in office at the date of this report are as follows :-

30 Arthur Lipper III (appointed on 24.2.1976)
Donald Frank Harvey Sinclair
Ong Bee Kok
Soh Mun Kit (alternate to Ong Bee Kok)
(appointed on 16.12.1975)

Directors' Interests in Contracts

At no time during the year ended 31st March 1976 was the company a party to any arrangements to enable your directors to acquire benefits by means of the acquisition of shares in or debentures of the company or any other body corporate.

40 Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

EXHIBITS

Directors' Interests in Shares

AB1

Accounts of Merchant Credit Pte.Ltd. for year ended 31st March 1976

Particulars of beneficial interests of a director who held office at the end of the financial year and his immediate family in shares in the company according to the register kept by the Company for the purposes of Section 134 of the Companies Act, Cap.185 are as follows :-

(continued)

<u>Name of Director</u>	<u>Ordinary shares of S\$1 each</u>		10
	<u>At beginning of the year</u>	<u>At the end of the year</u>	
Donald Frank Harvey Sinclair	15,000	15,000	

None of the directors who held office at the end of the financial year had beneficial interests in shares in related corporations either at the beginning or at the end of the financial year.

Contingent Liabilities

Except as disclosed in notes 6, 7 and 8 of the accompanying accounts, no contingent liability or other liability has become enforceable or is likely to become enforceable within the succeeding period of twelve months which will materially affect the ability of the company to meet its obligations as and when they fall due.

20

At the date of this report, there are no contingent liabilities which have arisen since 31st March 1976 other than those which are disclosed.

30

Other Statutory Information

Since the end of the financial year, a major shareholder has disputed the conversion of its advance of S\$332,500 into share capital and has taken legal proceedings to reclaim its advance together with interest. Additionally, another major shareholder, Arthur Lipper International Ltd. has initiated legal proceedings to recover S\$701,855, which was outstanding at the year end, and interest thereon in respect of three promissory notes issued by the company. The directors have decided that the company will offer no defence against this claim.

40

Except as disclosed in this report and the

accompanying accounts, at the date of this report, we are neither aware of any circumstances which would render the values attributable to current assets in the accounts misleading nor are we aware of any circumstances which would render inadequate to any substantial extent the amount written off for bad debts and the amount of provision for doubtful debts.

EXHIBITS

AB1

Accounts of
Merchant Credit
Pte.Ltd. for
year ended
31st March
1976

(continued)

10 Except as disclosed in this report and the accompanying accounts, in our opinion, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which would substantially affect the results of the financial year in which this report is made.

20 There are no circumstances not otherwise dealt with in this report and the accounts which would render any amount stated in the accounts misleading.

Auditors

The auditors, Messrs. Peat, Marwick, Mitchell & Co., Chartered Accountants and Public Accountants, Singapore, have indicated their willingness to accept re-appointment.

On behalf of the Board

Sd: A. Lipper
Director

30 Sd: D.F.H. Sinclair
Director

SINGAPORE

14 JUNE 1977

EXHIBITS

AB1

Accounts of
Merchant Credit
Pte.Ltd. for
year ended
31st March
1976

(continued)

MERCHANT CREDIT PRIVATE LIMITED

(Incorporated in the Republic of Singapore)

STATEMENT BY DIRECTORS

We, _____ being
directors of MERCHANT CREDIT PRIVATE LIMITED
do hereby state that in our opinion the
accompanying profit and loss account and
balance sheet are drawn up so as to give a
true and fair view of the results of the
business of the company for the year ended
31st March 1976, and of the state of affairs
of the company as at that date.

10

Signed on behalf of the Board of
Directors

Sd: A. Lipper
Director

Sd: D.F.H. Sinclair
Director

SINGAPORE

24 JUL 1977

20

STATUTORY DECLARATION

I, _____ director
of MERCHANT CREDIT PRIVATE LIMITED do solemnly
and sincerely declare that the accompanying
balance sheet and profit and loss account are,
to the best of my knowledge and belief, correct.
And I make this solemn declaration conscient-
iously believing the same to be true and by
virtue of the provisions of the Statutory
Declarations Act 1835.

30

Declared at _____ in the)
Republic of Singapore this)
. day of 1977) Director

Before me:

PEAT, MARWICK, MITCHELL & CO.
Chartered Accountants
Public Accountants Singapore
20th/21st Floor, Hong Leong Building,
Raffles Quay, Singapore 1
P.O.Box 448, Singapore
Telephone: 2207411 (10 lines)
Cable: "VERITATEM"
Telex: VERITAT RS 23954

EXHIBITS

AB1

Accounts of
Merchant Credit
Pte.Ltd. for
year ended
31st March
1976

(continued)

10

REPORT OF THE AUDITORS TO THE MEMBERS
OF MERCHANT CREDIT PRIVATE LIMITED

The accounts of the company have been prepared on a going concern basis. However, in view of the action brought by Arthur Lipper International Limited for the recovery of S\$701,855 together with accrued interest thereon and the litigation in progress in connection with the conversion of an advance of S\$332,500 into ordinary share capital, the company no longer has the support of its major shareholders. It is probable therefore that the company will have to realise the major portion of its assets to meet its commitments and further provision may have to be made for any loss on realisation of the company's assets which may arise.

20

We are unable to express an opinion on the value of the ice skating equipment amounting to S\$568,682 included in the accounts and cost which the directors consider would realise an amount in excess of cost.

30

In these circumstances, we are unable to express an opinion as to whether the accompanying accounts are properly drawn up in accordance with the provisions of the Companies Act, Cap.185 and so as to give a true and fair view of the state of affairs of the company as at 31st March 1976 and of the results for the year ended on that date.

40

Subject to this, in our opinion:-

- a. the accompanying accounts comply in all other respects with the Act including the matters required by Section 169 of the Act to be dealt with in the accounts; and
- b. the accounting and other records, and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

EXHIBITS

AB1

Accounts of
Merchant Credit
Pte.Ltd. for
year ended
31st March
1976

SINGAPORE

24 JUN 1977

(continued)

Sd: Peat, Marwick, Mitchell & Co.

CHARTERED ACCOUNTANTS
PUBLIC ACCOUNTANTS, SINGAPORE

MERCHANT CREDIT PRIVATE LIMITED

(Incorporated in the Republic of Singapore)

BALANCE SHEET AS AT 31ST MARCH 1976

<u>1975</u> S\$		S\$	S\$	
	SHARE CAPITAL			10
	Authorized:			
S\$ <u>2,000,000</u>	Ordinary shares of S\$1 each	<u>2,000,000</u>		
	Issued and fully paid:			
300,000	Ordinary shares of S\$1 each (note 5)		965,000	
<u>70,667</u>	ACCUMULATED LOSS		<u>555,402</u>	
<u>S\$229,333</u>			<u>S\$409,598</u>	
	Represented by :-			
586,557	FIXED ASSETS (note 2)		584,770	20
435,011	INVESTMENT IN SUBSIDIARY COMPANY (note 3)		279,000	
94,673	INVESTMENTS (note 4)		41,119	
	CURRENT ASSETS			
239,862	Loan advances less provision for doubtful debts S\$367,067 (1975: S\$214,000)	116,500		
41,934	Trade debtors less provision for doubtful debts S\$54,934 (1975: S\$NIL)	-		30
20,373	Other debtors, deposits and prepayments	26,900		
227,112	Cash on deposit and at bank	150,166		
<u>529,281</u>		<u>293,566</u>		

	<u>1975</u> S\$		S\$	S\$	<u>EXHIBITS</u> AB1
		Less:			
		CURRENT LIABILITIES			Accounts of Merchant Credit Pte.Ltd. for year ended 31st March 1976
	1,067,261	Arthur Lipper International Limited	786,660		(continued)
10	332,500	The Industrial and Commercial Realty Co.Ltd.	-		
	21,302	Trade creditors	7,071		
	<u>1,421,063</u>		<u>793,731</u>		
	(891,782)	EXCESS OF CURRENT LIABILITIES OVER CURRENT ASSETS		(500,165)	
		EXPENDITURE CARRIED FORWARD at cost			
	4,874	Preliminary expenses		4,874	
20	<u>S\$229,333</u>			<u>S\$409,598</u>	

The annexed notes form an integral part of and should be read in conjunction with these accounts.

EXHIBITSMERCHANT CREDIT PRIVATE LIMITED

AB1

(Incorporated in the Republic of Singapore)

Accounts of
Merchant Credit
Pte. Ltd. for
year ended
31st March
1976

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED
31ST MARCH 1976

(continued)

<u>1975</u>		S\$	S\$	
69,042	PROFIT/(LOSS) FOR THE YEAR before taxation		(266,181)	
	AFTER CHARGING:			
2,500	Auditors' remuneration	6,000		10
1,986	Depreciation of fixed assets	1,788		
1,121	Hire of equipment	697		
5,238	Rent	4,572		
-	Provision for doubtful debts	222,001		
1,098	Project development expenses	1,734		
	AND CREDITING:			
79,977	Profit on sale of investment in subsidiary company	-		20
14,565	Profit on sale of fixed assets	-		
3,000	Provision for doubtful debts no longer required	14,000		
	TAXATION			
34,100	Overprovision in respect of prior years		-	30
103,142	PROFIT/(LOSS) after taxation		(266,181)	
	Add:			
	EXTRAORDINARY ITEMS			
	Provision for diminution in value of:			
-	Shares in subsidiary	165,000		
-	Investments	<u>53,554</u>		
			(218,554)	40
103,142	PROFIT/(LOSS) after extraordinary items		(484,735)	
	ACCUMULATED LOSS			
(173,809)	brought forward		(70,667)	
<u>S\$(70,667)</u>	ACCUMULATED LOSS carried forward		<u>S\$(555,402)</u>	

The annexed notes form an integral part of and should be read in conjunction with these accounts.

EXHIBITS

AB1

Accounts of
Merchant Credit
Pte.Ltd. for
year ended
31st March
1976

MERCHANT CREDIT PRIVATE LIMITED

(Incorporated in the Republic of Singapore)

NOTES ON THE ACCOUNTS - 31ST MARCH 1976

(continued)

These notes form an integral part of and should be read in conjunction with the accompanying accounts.

10 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Fixed Assets

No depreciation is provided on ice skating equipment, which includes ice skating boots. In the opinion of the directors, this equipment, which is in an unused condition, could realise an amount in excess of cost. All other assets are depreciated on a reducing balance basis over their estimated useful lives.

20

(b) Currency Conversion

Assets and liabilities in foreign currencies have been converted at rates of exchange closely approximate to those ruling at the balance sheet date and profit and loss account items where applicable have been converted at the rates of exchange prevailing on transaction dates.

30 2. FIXED ASSETS 1 9 7 6

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Balance</u>
	S\$	S\$	S\$
Ice skating equipment	568,682	-	568,682
Furniture and equipment	13,089	4,501	8,588
Fixtures and fittings	11,431	3,931	7,500
	<u>S\$ 593,202</u>	<u>S\$ 8,432</u>	<u>S\$ 584,770</u>

40

EXHIBITS

ABI		1 9 7 5		
		<u>Cost</u>	<u>Accumulated</u> <u>Depreciation</u>	<u>Balance</u>
		S\$	S\$	S\$
Accounts of Merchant Credit Pte. Ltd. for year ended 31st March 1976 (continued)	Ice skating equipment Furniture and equipment Fixtures and fittings	568,682	-	568,682
		13,089	3,547	9,542
		11,431	3,098	8,333
		S\$593,202	S\$6,645	S\$586,557

10

3. INVESTMENT IN SUBSIDIARY COMPANY

	<u>1 9 7 6</u>	<u>1 9 7 5</u>	
	S\$	S\$	
Shares in subsidiary at cost	392,000	392,000	
Less: Provision for diminution in value of shares	165,000	-	
	227,000	392,000	20
Add: Amounts owing	52,000	43,011	
	S\$ 279,000	S\$ 435,011	

The Company has a 76% interest in Malaysian Recreation Co Sdn. Bhd. which is incorporated in Malaysia. The directors consider that, as the subsidiary has not yet commenced trading, it would be more meaningful to present separate financial statements for the company and the subsidiary and therefore pursuant to paragraph 4 of the Ninth Schedule to the Companies Act, Cap. 185, the accounts of the subsidiary are attached herewith.

30

4. INVESTMENTS	<u>1 9 7 6</u>	<u>1 9 7 5</u>	
	S\$	S\$	
Unquoted shares in corpor- ation at cost	94,673	94,673	
Less: Provision for diminution in value	53,554	-	
	S\$41,119	S\$94,673	40

5. SHARE CAPITAL AND ADVANCES FROM SHAREHOLDERS

An amount of S\$665,000 previously advanced by two shareholders was converted during the year into 665,000 ordinary shares of S\$1 each at par in settlement of the

advances (see note 8(a) below).

EXHIBITS

6. CONTINGENT LIABILITIES

AB1

At 31st March 1976, there were contingent liabilities in respect of the following items for which no provision has been made in the accounts :-

Accounts of
Merchant Credit
Pte. Ltd. for
year ended
31st March
1976

	<u>1 9 7 6</u>	<u>1 9 7 5</u>	
	S\$	S\$	(continued)
10 Guarantees given in the normal course of business	60,533	308,816	
Interest on monies advanced by shareholders	<u>136,753</u>	<u>56,953</u>	
	<u>S\$197,286</u>	<u>S\$365,769</u>	

7. CAPITAL COMMITMENTS

The company has contracted to purchase ice skating equipment at a residual value of S\$196,500 in December 1978.

8. SUBSEQUENT EVENTS

- 20 (a) The Industrial and Commercial Realty Co. Ltd. has disputed the conversion of its advance of S\$332,500 into 332,500 ordinary shares of S\$1 each, and subsequent to the year end, has instituted legal proceedings for the return of its advance together with interest thereon.
- 30 (b) In January 1977, Arthur Lipper International Ltd. instituted legal proceedings against the company for the return of three promissory notes issued by the company prior to the year end amounting to S\$701,855 together with accrued interest thereon. The directors have decided that the company will take no action against this claim.

EXHIBITSMERCHANT CREDIT PRIVATE LIMITED

ABI

(Incorporated in the Republic of Singapore)

Accounts of
Merchant Credit
Pte. Ltd. for
year ended
31st March
1976DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR
ENDED 31ST MARCH 1976

	<u>1975</u>		S\$	S\$
(continued)		INCOME		
		Underwriting and financial service fee	50,000	10
	103,514	Interest income	47,022	
	22,045	Management fee	-	
	13,933	Profit on sale of investment in subsidiary company	-	
	79,977	Profit on sale of fixed assets	-	
	14,565	Sundry income	-	
	6,228		-	
	240,262		<u>97,022</u>	
		Less:		20
		EXPENDITURE		
	19,210	Management fee	17,615	
	5,238	Rent	4,572	
	924	Insurance	6,802	
	100,786	Interest	74,191	
	2,500	Audit fee	6,049	
	252	Legal and professional fees	1,832	
	3,580	Stationery and office expenses	1,483	30
	570	Postages	413	
	6,945	Secretarial and filing fees	7,630	
	23,504	Storage charges	24,241	
	2,470	Telephone and telex	2,127	
	57	Travelling expenses	803	
	1,264	Entertainment	867	
	1,121	Hire of equipment	697	
	1,986	Depreciation	1,788	
	111	Repairs and maintenance	-	40
	160	Travelling expenses	1,164	
	1,098	Project development expenses written off	1,734	
	30	Bank charges	76	
	(3,000)	Bad and doubtful debts	208,001	
	1,202	Vehicle running expenses	890	
	964	Miscellaneous expenses	670	50
	248	Loss/(gain) on exchange	<u>(442)</u>	
	171,220		363,203	

B/fwd

171,220
S\$69,042 PROFIT/(LOSS) FOR THE YEARS

EXHIBITS
 AB1
363,203
(266,181) Accounts of
 Merchant Credit
 Pte.Ltd. for
 year ended
 31st March
 1976
 (continued)

EXHIBITS

AB1

LETTER FROM JAMSHID K.
 MEDORA, SECRETARY OF
 MERCHANT CREDIT PTE.LTD.
 TO INDUSTRIAL & COMMERCIAL
 REALTY CO.LTD.

AB1
 Letter from
 Jamshid K.
 Medora, Secretary
 of Merchant
 Credit Pte.Ltd.
 to Industrial
 & Commercial
 Realty Co.Ltd.
 7th May 1976

10

JAMSHID K. MEDORA
 11-A Jalan Jambu Balu,
 Singapore, 21
 Tel.No. 660056

May 7, 1976

Industrial & Commercial
 Realty Co.Ltd.,
 Suite 425,
 Industrial & Commercial
 Bank Bldg.,
 2 Shenton Way,
 Singapore 1.

20

Dear Sirs,

We enclose a share certificate for
 332,500 one dollar ordinary shares.

We regret the delay, which was due to
 circumstances beyond my control.

Yours faithfully,

Sd: J.K.Medora

J.K. MEDORA
 (Secretary)

30

EXHIBITS

AB1

Letter from
Industrial &
Commercial
Realty Co.Ltd.
to the
Secretary of
Merchant Credit
Pte.Ltd.

10th May 1976

EXHIBITS

AB1

LETTER FROM INDUSTRIAL &
COMMERCIAL REALTY CO.LTD.
TO THE SECRETARY OF MERCHANT
CREDIT PTE. LTD.

10th May 1976

Our ref: RL/A-6561

The Secretary,
Merchant Credit Pte.Ltd.,
ICB Building,
Singapore 1

10

Re: Certificate No.9 dated 6th May 1976
for 332,500 Shares in your Company
issued in our name

As you are aware we have already instituted
legal action against you for the repayment to
us of the said sum of \$332,500/- owing to us
which you now purported to be for the issue of
shares in your company per your letter of 7th
May 1976.

20

Under the circumstances, we return herewith the
above Share Certificate. Kindly acknowledge
receipt.

Yours faithfully,
for THE INDUSTRIAL & COMMERCIAL REALTY CO.LTD.

Sd: JT
Manager

cc - Mr. Yin Ee Kheng

JT/obk/bc

30

EXHIBITS

AB2

SHARE APPLICATION
ACCOUNT (extract from
Ledger Book)

EXHIBITS

AB2

Share Applica-
tion Account
(extract from
Ledger Book)

193

NO.

Share application

Date	Description	Dr.		Cr.		Balance
		Dr.	Cr.	Dr.	Cr.	
1928						
June 26	By P.C. Kelly Co. - add share of dividend April 1927			558,500		Cr. 558,500 +
30	to P.C. Kelly - add share of dividend in 1927			558,500		Cr. 665,000 -
July 31	To balance	665,000				
1929						
April 1	By balance			665,000		Cr. 665,000 -
March 31	To balance	665,000				
1935						
April 1	By balance			665,000		Cr. 665,000 -
March 31	To share of total - additional 1930	665,000				Balance
				665,000		

EXHIBITS

AB2

Memorandum from
W.H.Crafter to
Y.K.Hwang,
D.F.H. Sinclair

26th April
1973

EXHIBITS

AB2

MEMORANDUM FROM W.H.
CRAFTER TO Y.K. HWANG,
D.F.H. SINCLAIR

26 April, 1973

To: Mr. Y.K. Hawang, Mr. D.F.H. Sinclair
From: W.H. Crafter
Subject: K.L. Land

26 April. Y.K. and W.H.C. visited site behind Taylor College. Represented to us that property is 86,654 sq.ft. of which only lot nearest Taylors College is zoned commercial. Rest is residential. Freehold. Price negotiable around \$10 p.s.f. DDA developing near location. Y.K. and W.H.C. agreed very good location due already between P.J. and K.L., also in middle university area. Also ideal as motel due main highways to airport pass on both sides. Unless problem with area can be overcome with cooperation U.D.A. Ranjit stressed UDA and others should not be told of project I do as they were after this place of land and if owner knew purpose he would raise price. Also it seems owner had plans for ice skating on that location and had permission at one time (:) who asked Ranjit attempt get option 10% for six months then balance. During that period we could obtain rezoning clearance.

25 April. Ranjit met with owner. Counter proposals:

1. 8.38 p.s.f. 736,550
20% In 1 week
20% In 4 weeks
60% In 3 months

\$10,000 deposit 26 April

2. 8.00 p.s.f. 693,332
25% In 1 week
25% In 4 weeks
50% In 3 months

Also said other buyers interested at 8% and we would have to move fast.

W.H.C. called Don, gave situation, he agreed we should buy and take risk of non reasoning. W.H.C. called UDA. Gazell said his two principles were away and he would get back to so as to whether UDA are interested in a joint venture with us in Ice Skating. He then mentioned the very same piece of land as being ideal for the purpose. They had looked at it but could not think what to do with it!

W.H.C. attempted contact Y.K. in Ipoh but no luck.

W.H.C. called Ranjit and said he would have his answer on 26 April.

26 April W.H.C. and Y.K. talked. Y.K. agreed to price of \$8 p.s.f. and we should go ahead at that price as we could either re-sell the land or develop it if rezoning was not allowed. Asked if we could get the price down if UDA were in with us.

W.H.C. called Ranjit. Said we would pay \$10,000 today to him in escrow for 1 week option, on the \$8 p.s.f. deal. Also asked him to discover price if we paid whole cost in one week's fine. He thought seller would go down but not as far as another dollar. Will get back to me.

We should therefore now (9.30 a.m. 26 April) have an option on the land at a maximum price of \$8 p.s.f. and will probably be able to obtain it for less.

William H. Crafter

c.c. A.L. 111

EXHIBITS

AB2

LETTER FROM W.H. CRAFTER
TO Y.K.HWANG, D.F.H.SINCLAIR

4 May, 1973

Mr. Y.K.Hwang
Mr. D.F.H.Sinclair

Dear Y.K. and Don:

10 On 2nd May I contracted to purchase the lots
marked 4095, 4096, 4099 from Mr. Teo who is the
front for Mr. Oon Seng Teong. Please see a copy
of the agreement attached. I had inserted the
clause about undoing the sale if it turned out
that he had previous knowledge of Government
plans for the land. You will recall that the UDA
refusal to talk to me about the land had led to
call you both regarding closing that evening as
the sellers would not extend the option period -
20 which was odd in itself. All checks carried out
by our K.L. attorney and myself had indicated
no Government plans for using the land.

The price and terms were as follows :-

	Land area	acres x	
		86,553.72 sq.ft.	at \$8 p.s.f.
	Purchase price	\$592,429.76	
	Payable	10,000.00 (taken from MCPL funds)	
	2 May	163,107.44	
30		I.C.B.	77,476,034
		A.L.I.	77,476,034
		D.Sinclair	8,135,373
	2 June	173,107.44	
		I.C.B.	82,226,034
		A.L.I.	82,226,034
		D.Sinclair	8,635,373
	2 Aug.	345,214.88	
		I.C.B.	164,452.06
		A.L.I.	164,452.06
		D.Sinclair	17,310,744
40	Total cost to MCPL	10,000.00	
		I.C.B.	324,154.12
		A.L.I.	324,154.12
		D.Sinclair	34,121.49

If full amount is paid by 2 June a discount of \$20,000 will be made by sellers.

EXHIBITS

AB2

Letter from
W.H.Crafter
to Y.K.Hwang,
D.F.H.Sinclair

4th May 1973

EXHIBITS

AB2

Letter from
W.H.Crafter
to Y.K.Hwang,
D.F.H.Sinclair
4th May 1973
(continued)

On 3 May I went to UDA at 9 a.m. and was told by them that they thought, but were not certain, that there was a plan to widen the Pantal River and that this would take a considerable amount of our land at the valuation of one dollar or one fifty per square foot. They emphasized that the plan had not been "scheduled" or "gazetted" and that they themselves had picked up this information. They did not think it a good location for ice skating "as it would cause a lot of traffic" and the cost of a bridge over the Pantal would be very high. They did not think it would be a suitable area for a recreation center. They had, however, another location for lease for three years on which they were planning to put a tent. They said that they had told Mr.Teo of the possibility of the river work.

10

On the basis of my condition that the sale was subject to Mr. Teo not knowing of any Government plans I renegotiated our deal as follows, subject to your agreement.

20

1. 46,000 sq.ft. in lots 4096 and 4099, which will not be touched even if the river is widened, will be sold freehold to the owing company for \$8 per sq.ft. i.e. 368,000 Dates of payment to be decided. Present payment of \$173,107.44 to be released as first payment (it is presently being held by Allen & Gledhill pending the outcome of these arrangements).
2. 30,000 sq.ft. which is the part of 4096 and 4099 which may be taken for river widening will be sold to the owing company for \$4 or \$5 per sq.ft. in return for shares in the company.
3. Lot 4095 will no longer be part of the sale.
4. There is about another five thousand sq.ft. of right of way which can be used for parking.

30

In summary we will have 76,000 sq.ft. which is now zoned as residential which will have to be rezoned to commercial and permission given to construct the rink. Mr.Teo claims to be an expert at this and wishes to be involved in the project - hence the share participation.

40

We now need good strong Bumiputra partners.

Do you agree to the above arrangements? Our alternative is to discount the chance of the

river widening as something way in the future which will attract compensation any way and go back to the original deal.

My one big fear is planning permission delays or withholding.

Yours sincerely,

William H.Crafter

EXHIBITS

AB2

Letter from
W.H.Crafter
to Y.K.Hwang,
D.F.H.Sinclair

4th May 1973

(continued)

EXHIBITS

AB2

10

SALE AGREEMENT MADE BETWEEN
TEO KAI JOO AND W.H.CRAFTER

AB2

Sale Agreement
made between
Teo Kai Joo and
W.H.Crafter

8th May 1973

20

AN AGREEMENT made this 8th day of May 1973
Between TEO KAI JOO (NRIC NO. 0050928) of
5 Jalan Ibrahim, Muar, Johore (hereinafter
referred to as "the Vendor") of the one part
And WILLIAM HENRY CRAFTER (British Passport No.
C094643) of c/o Ranjit, Thomas & Kula, Advocates
& Solicitors, Wing on Life Building (Room 72),
Seventh Floor, Jalan Silang, Kuala Lumpur
(hereinafter referred to as "the Purchaser") of
the other part

WHEREAS the Vendor is the beneficial owner
of all those two lots of land more particularly
described in the Schedule hereto (hereinafter
referred to as "the said lands")

AND WHEREAS the said Lands are zoned for
residential purposes under Federal Capital Kuala
Lumpur Comprehensive Development Plan No.1041

30

AND WHEREAS the Vendor has agreed to sell
and the Purchaser has agreed to purchase the
said Lands subject to the terms and conditions
hereinafter contained

NOW IT IS HEREBY AGREED as follows :-

1. Subject to the terms and conditions herein-
after contained and in consideration of the sum
of Malaysian Dollars One hundred and seventy
three thousand one hundred and seven and cents

EXHIBITS

AB2

Sale Agreement
made between
Teo Kai Joo and
W.H.Crafter

8th May 1973

(continued)

forty-four (M\$173,107.44) now paid by the Purchaser to the Vendor (the receipt whereof the Vendor hereby acknowledges) by way of a deposit and part payment to account of the total purchase price the Vendor hereby agrees to sell and the Purchaser hereby agrees to purchase the said Lands free from all charges and encumbrances and with vacant possession but subject to the conditions express and implied in the documents of title to the said Lands at the total purchase price of Malaysian Dollars Four hundred and eighty four thousand (M\$484,000/-).

10

2. The balance purchase price of Malaysian Dollars Three hundred and ten thousand eight hundred and ninety two and cents fifty six (M\$310,892.56) shall be paid and satisfied by the Purchaser on or before the 2nd day of June 1973 (hereinafter referred to as "the Completion Date") to the Vendor's solicitors Messrs. Allen & Gledhill, 24th Floor, Bangunan UMBC, Jalan Sulaiman, Kuala Lumpur as stakeholders in the following manner :-

20

(a) as to the sum of Malaysian Dollars One hundred and ninety four thousand eight hundred and ninety two and cents fifty six (M\$194,892.56) by way of a cash payment in the form of a Bankers draft or Cashiers Order in favour of the aforesaid Messrs. Allen & Gledhill; and

30

(b) as to the balance sum of Malaysian Dollars One hundred and sixteen thousand (M\$116,000/-) the Purchaser undertakes to procure the issue and allotment to the Vendor and/or his nominee or nominees of 116,000 ordinary shares of M\$1/- each credited as fully-paid-up in the capital of a limited company to be incorporated by the Purchaser (hereinafter referred to as "the Development Company") into which the said Lands shall be transferred and which company shall develop the said Lands in the manner as set out in clause 7 hereof. The Purchaser hereby undertakes to procure the issue and allotment of the said 116,000 shares within the period of three (3) months from the Date of Completion and for the due performance of the Purchaser's said undertaking the Vendor shall be entitled

40

50

simultaneously with the registration of the transfer of the said Lands pursuant to clause 3 hereof to lodge a caveat or caveats against any dealings with the said Lands, and the Purchaser and the Development Company hereby agrees to the lodging of such caveat or caveats.

EXHIBITS

AB2

Sale Agreement
made between
Teo Kai Joo and
W.H.Crafter

8th May 1973

(continued)

10 3. Provided that the Purchaser shall have made payment of the balance purchase price in the manner and within the time stipulated in Clause 2 hereof the Vendor or his solicitors shall on the Completion Date deliver to the Purchaser or his solicitors a valid and regist-
20 rable transfer of the said Lands free from all charges and encumbrances and with vacant possession but subject to the conditions express and implied in the documents of title to the said Lands in favour of the Development Company together with all other documents, if any,
30 necessary to effect registration. The Purchaser shall present the aforesaid transfer for registration at the appropriate Land Office within seven (7) days of the same being delivered to him or his solicitors as aforesaid and upon registration of the said transfer or within thirty (30) days from the expiry of the aforesaid seven (7) days whichever shall be the earlier date the aforesaid Messrs. Allen & Gledhill as stakeholders shall release the said sum of Malaysian Dollars One hundred and ninety four thousand eight hundred and ninety two and cents fifty six (M\$194,892.56) referred to in clause 2(a) hereof to the Vendor.

40 4. In the event of the Purchaser not paying the balance purchase price in the manner and within the time stipulated in clause 2 hereof then the deposit and part payment of Malaysian Dollars One hundred and seventy three thousand one hundred and seven and cents forty four (M\$173,107.44) paid by the Purchaser to the Vendor shall be forfeited to the Vendor absolutely as agreed liquidated damages and thereafter this Agreement shall be null and void and of no effect and neither party hereto shall have any claim against the other.

50 5. All quit rent, rates, assessments, taxes and other outgoings (if any) payable in respect of the said Lands shall be apportioned as at the Completion Date and any sum or sums due by virtue of such apportionment shall be paid or allowed as the case may be on the date of completion Provided Always that the Vendor shall indemnify

EXHIBITS

AB2

Sale Agreement
made between
Teo Kai Joo
and W.H.Crafter
8th May 1973
(continued)

the Purchaser in respect of any loss or penalty in respect of any late payments of such aforesaid quit rent, rates, assessments, taxes and outgoings, if any.

6. The Purchaser hereby undertakes to take all such steps as may be necessary for the issue and allotment of the said 116,000 shares in the capital of the Development Company to the Vendor and/or his nominee or nominees pursuant to clause 2(b) hereof and shall also procure the appointment of the Vendor or his nominee to be a director to the Board of Directors of the Development Company with effect from the date of issue and allotment of the said 116,000 shares to the Vendor pursuant to clause 2(b) hereof.

10

7. The Purchaser hereby confirms that the said Lands shall be utilised for the purpose of constructing and operating an ice skating rink thereon provided always that if the necessary approvals from the competent authorities cannot be obtained or cannot be obtained within a reasonable time the Development Company shall have the right to utilize the said Lands for any other purpose or to sell the said Lands to the best interests of the Development Company.

20

8. The Vendor hereby agrees to pay Mr. P. Singh the Broker 2% brokerage on the total purchase price of Malaysian Dollars Four hundred and eighty four thousand (M\$484,000/-) and the Purchaser also agrees to pay 3% brokerage on the sum of Malaysian Dollars Three hundred and sixty eight thousand (M\$368,000/-) to Mr.P.Singh. The Vendor and Purchaser shall pay the said commission to Messrs. Ranjit, Thomas & Kula, the solicitors for the Broker Mr. P.Singh on the Completion Date.

30

9. Time wherever mentioned in this Agreement shall be of the essence of the contract.

40

10. Each party hereto shall pay their own respective legal charges in respect of this Agreement and of the transfer of the said Lands but all stamp duty and registration fees thereon shall be paid by the Purchaser.

11. This Agreement shall be binding upon the respective personal representatives, successors, assigns and nominees of the Vendor and the Purchaser.

50

THE SCHEDULE ABOVE REFERRED TO

EXHIBITS

Selangor Certificate of Title No.10004
for Lots 4096 and 4099 in the Mukim and
District of Kuala Lumpur.

AB2

Sale Agreement
made between
Teo Kai Joo and
W.H.Crafter

IN WITNESS WHEREOF the parties hereto
have hereunto set their hands the day and year
first above written

8th May 1973

(continued)

10 SIGNED by the Vendor the)
aforesaid TEO KAI JOO in) Sd: Teo Kai Joo
the presence of :-)

Sd: (Illegible)

SIGNED by the Purchaser)
the aforesaid WILLIAM) Sd:William H.Crafter
HENRY CRAFTER in the)
presence of :-)

Sd: Ranjit Singh

EXHIBITS

AB2

AB2

LETTER FROM W.H.CRAFTER
TO ALLEN & GLEDHILL

Letter from
W.H.Crafter to
Allen & Gledhill

20

8th May 1973

WILLIAM HENRY CRAFTER
c/o Messrs. Ranjit, Thomas
& Kula,
Advocates & Solicitors,
Room 72 (7th Floor),
Wing On Life Building,
Jalan Silang,
Kuala Lumpur.

30 Messrs. Allen & Gledhill,
Bangunan UMBC, 24th Floor,
Jalan Suleiman,
Kuala Lumpur.

8th May, 1973

Dear Sirs,

Purchase of Lots 4095, 4096 and
4099 Mukim and District of
Kuala Lumpur

I refer to the sale and purchase agreement

EXHIBITS

AB2

Letter from
W.H.Crafter to
Allen & Gledhill
8th May 1973
(continued)

dated 2 May 1973 entered into between Mr. Teo Kai Joo and myself pertaining to the sale and purchase of the above three lots of land.

Mr. Teo and myself have today executed a Deed of Revocation revoking and rescinding the aforesaid sale and purchase agreement and I hereby authorise and direct you to release and pay to Mr. Teo the sum of M\$173,107.44 (which I have previously paid to you as solicitors under clause 1 of the aforesaid sale and purchase agreement dated 2 May 1973) towards the payment of the deposit of M\$173,107.44 which is to be paid by me under clause 1 of an agreement of today's date entered into between myself and Mr. Teo for the sale and purchase of Lots 4096 and 4099.

10

I hereby confirm that this authorization shall be deemed to be an acknowledgment by me of the receipt of the refund of the sum of M\$173,107.44 pursuant to clause 2 of the aforesaid Deed of Revocation.

20

Yours faithfully,

Sd: William H.Crafter
William H.Crafter

AB2

Letter from
W.H.Crafter to
Y.K.Hwang,
D.F.H.Sinclair
11th May 1973

EXHIBITS

AB2

LETTER FROM W.H.CRAFTER
TO Y.K.HWANG, D.F.H.SINCLAIR

30

Fair Copy Retyped

11 May 1973

Mr.Y.K.Hwang
Mr. D.F.H.Sinclair

Dear Y.K. and Don:

Re: K.L. Ice Skating Equipment
and Lots 4096 and 4099

The cost of the equipment purchased from Genting Highlands Hotel Bhd. was M\$585,851.

The allocation of cost is as follows :

40

I.C.B. M\$278,279.22
A.L.I. M\$278,279.22
Sinclair 29,292.55

EXHIBITS

AB2

The cost of the 75,000 sq.ft. of land purchased is M\$484,000 of which M\$368,000 is in cash payment as M\$173,107.44 on 8 May and M\$194,892.56 on 2 June.

Letter from
W.H.Crafter to
Y.K.Hwang,
D.F.H.Sinclair
11th May 1973

This allocation of cash is as follows :

(continued)

10 I.C.B. 174,800
A.L.I. 174,800
Sinclair 18,400

In addition there is a payment of brokerage commission of M\$11,040 the allocation of which is :

I.C.B. 5,244
A.L.I. 5,244
Sinclair 552

20 Also the payment from MCPL to ALI under the management contract amounts from incorporation to 31 March, 1973, to \$60,000 of which M\$15,000 has been paid, leaving a balance due of M\$45,000.

We have in our account \$30,000.

We will on 1 June be owed M\$50,000 by I.S.I.

I therefore see our immediate needs for additional capital or loan as follows :

I.C.B. 479,700
A.L.I. 479,700
Sinclair 50,500

30 Our authorized is presently \$1 million and paid up \$300,000.

Will you please

1. arrange to pay into MCPL the above amounts?
2. inform me whether you consider that these payments to be an increase of paid up capital (authorized must be increased) or as loan funds. I recommend it should be additional paid up.

40

Yours sincerely,
Sd:
William H.Crafter

EXHIBITS

AB2

Memorandum from
W.F.Crafter
to Y.K.Hwang,
D.F.H.Sinclair

11th July
1974

EXHIBITS

AB2

MEMORANDUM FROM W.H.CRAFTER
TO Y.K.HWANG, D.F.H.SINCLAIR

11th July, 1974

To: Y.K.Hwang
D.F.H.Sinclair
From: William H.Crafter
Subject: Kuala Lumpur Land

You know that MCPL purchased 73,790 square feet of land in Kuala Lumpur located between Jalan Pantal and the Federal Highway in the area of Taylors College. The purchase was made in order to have a location for our projected ice rink. 10

The purchase was in April last year. We paid 368,000 cash and issued 116,000 shares in Malaysia Recreation Co.Sdn.Bhd., a company formed by us to be the developer of ice skating in Kuala Lumpur, initially with UDA and Genting Highlands. You know that story well. 20

A total of 518,000 shares have been issued 392,000 to Merchant Credit Pte. Ltd. and 126,000 to the vendor of the land. The additional shares in both cases were to capitalise various expenditures incurred by both parties. This is the present share situation.

The sole asset of the company is the land. There are no significant liabilities other than \$34,909 owed to Merchant Credit Pte. Ltd. 30

In Malaysia, sale of land attracts a 50% tax on any profit made if resold within two years. This would apply to us. If the shares of Malaysia Recreation are sold I am informed that there is no tax, but I am not yet satisfied that this is so. However, whether it is or is not, is a matter of fact which is now being checked.

Merchant Credit Pte.Ltd. owes money to Arthur Lipper International Ltd. Arthur Lipper International Ltd. requires repayment in order to fund the rink project. Merchant Credit Pte.Ltd. can sell its Kuala Lumpur assets which consist 40

of the land under discussion here and the ice skating equipment. We have buyers genuinely interested in both. (The equipment cost was \$585,851 in December of 1972 and the sale is being negotiated at \$692,000).

EXHIBITS

AB2

Memorandum from
W.H.Crafter
to Y.K.Hwang,
D.F.H.Sinclair

11th July 1974

(continued)

10

On my last visit to Kuala Lumpur, I was informed that an offer had been made at 10 psf, that land acquired by the Government in that area had been compensated at 8 psf. This was then followed by my being told that perhaps there would be an offer of 12 psf. The vendor - a pretty smart operator in Kuala Lumpur land development was keen to acquire our shares at the equivalent of \$7 psf, I then checked with a real estate agent who informed me that the whole of our land was virtually certain to be rezoned commercial. All the adjoining land had already been zoned commercial, that we should, if we wished to sell it, ask for \$20 psf but settle for \$16 psf.

20

We are evidently sitting on a very valuable piece of land. We are also in a position where Mr. Lipper requires the repayment of his loans due to his being virtually the sole source of financing for the ice rink, which he considers an intolerable position to be in. Mr. Lipper has been pressing me for a very long time to sell the land. He is really in a position to demand that we do so due to our loan position with him.

30

Unfortunately, there seems nothing for it but to sell now. If the decision was not forced on us I would not recommend selling now as in a year's time we would probably be able to obtain \$15 psf. Despite various comments made about the unsuitability of the location, it is obviously prime land for commercial development.

40

At \$8 psf. the proceeds of the land sale would be \$590,320 or \$1.139 per share. Our sale of shares would therefore produce \$446,728 which would just about cover our fees, expenditures and cost of money.

At \$10 psf the proceeds of the land sale would be \$737,900 or \$1.424 per share. Our sale of shares would therefore produce \$558,410 which would show us a \$100,000 profit.

Will you please let me know whether you authorise me to sell our shares at a minimum of \$1.139?

The other shareholder would probably buy us out at \$1.139 per share. At \$1.50 he would probably

EXHIBITS

AB2

Memorandum from
W.H.Crafter to
Y.K. Hwang,
D.F.H. Sinclair

11th July 1974
(continued)

sell out with us the entire holding.

If either of you are aware of anyone who
would wish to purchase the shares - or land -
please let me know at once.

William H.Crafter

EXHIBITS

AB2

Memorandum from
Y.K. Hwang to
W.H. Crafter

12th July 1974

AB2

MEMORANDUM FROM Y.K. HWANG
TO W.H. CRAFTER

ICB

10

THE INDUSTRIAL & COMMERCIAL
BANK LIMITED

2 Shenton Way,
Singapore 1
P.O.Box 1750
Telephone:70924
Cable: "INDCOMBANK"
Telex: INDCOMB
RS21112

Date: 12th July 1974

To: Major William H.Crafter
From: Y.K. Hwang
Subject: Kuala Lumpur Land

20

Thank you for your letter dated 11th July
1974.

I fully understand your position and your
views on the proposed sale of Kuala Lumpur Land.

I am agreeable that the Company should
authorise you to sell our shares at a minimum
price of \$1.139.

Sd: Y.K. Hwang
Y.K. Hwang

30

EXHIBITS

AB2

LETTER FROM D.F.H.SINCLAIR
TO W.H. CRAFTER

EXHIBITS

AB2

Letter from
D.F.H.Sinclair
to W.H.Crafter

16th July 1974

10 D.F.H. SINCLAIR
C/O FRASER & CO. (PTE.)
Incorporated in the Republic of
Singapore
Member of the Stock Exchange
of Singapore Limited
Established 1873
Maritime Building
Singapore 1.

20 Correspondence to:
P.O.Box 769
Singapore.
Telephones: 92941(14 lines)
Trunk calls:92918 & 92917
Cables: "FRASA" SINGAPORE
Telex; FRASA RS 21433

In your reply
please quote:
DFHS/DS

16th July, 1974

Major W.H.Crafter,
Merchant Credit Pte. Ltd.,
Industrial & Commercial
Bank Building,
2 Shenton Way,
SINGAPORE 1.

30 Dear Bill,

Reference your letter of 11th July, 1974.

I agree that you should try and sell the
shares and should negotiate the sale as near
to the land value as you can possibly get. In
order to give you freedom to do this I support
the resolution that you be given authority to
sell at \$1.139 or better.

Yours sincerely,

Sd: Don Sinclair

EXHIBITS

AB2

Directors' Resolution No. 4/75 passed by Merchant Credit Pte.Ltd.

17th March 1975

EXHIBITS

AB2

DIRECTORS' RESOLUTION No.4/75 PASSED BY MERCHANT CREDIT PTE.LTD.

MERCHANT CREDIT PRIVATE LIMITED

(Incorporated in Singapore)

DIRECTORS' RESOLUTION No.4/75

Directors' Resolution in writing made pursuant to Article No.91(A) of the Company's Articles of Association. 10

We, Messrs. Hwang Yen Kang, Donald F.H.Sinclair and William Henry Crafter, being all the Directors of Merchant Credit Private Limited at this date, do, pursuant to Article No.91(A) of the Company's Articles of Association, RESOLVE:

1. That authority be and is hereby given to Mr. William Henry Crafter, Managing Director of the Company, to negotiate and arrange for the sale of the Company's Investment of 392,000 ordinary shares of \$1.00 each in the capital of Malaysian Recreation Co. Sdn.Bhd. on the basis that such shares shall be valued in the same ratio that the total issued capital of Malaysian Recreation Co.Sdn.Bhd. of 518,002 ordinary shares of \$1.00 each shall bear if the land owned by Malaysian Recreation Co. Sdn.Bhd. and consisting of 73,807 square feet shall be sold at a price of not less than \$10.00 per square foot and the proceeds thereof were divided equally over the total number of 518,002 ordinary shares issued by Malaysian Recreation Co. Sdn. Bhd. 20 30
2. That authority be and is hereby given to Mr. William Henry Crafter to procure repayment by Malaysian Recreation Co. Sdn. Bhd. to the Company of all monies advanced by the Company to Malaysian Recreation Co. Sdn. Bhd. up to the date of sale of its shareholding together with interest thereon at the rate of 12 percent per annum. 40

Dated in Singapore this 17th day of March 1975.

Sd: Y.K. Hwang
HWANG YEN KANG
DIRECTOR

Sd: D.F.H.Sinclair
DONALD F.H. SINCLAIR
DIRECTOR

EXHIBITS

AB2

Directors'
Resolution No.
4/75 passed by
Merchant Credit
Pte.Ltd.

17th March 1975
(continued)

Sd: William H.Crafter
WILLIAM HENRY CRAFTER
DIRECTOR

EXHIBITS

AB2

LETTER FROM W.H.CRAFTER
MANAGING DIRECTOR OF
MERCHANT CREDIT PTE.LTD.
TO Y.K.HWANG, INDUSTRIAL
& COMMERCIAL BANK

16th June 1975

AB2

Letter from
W.H.Crafter,
Managing
Director of
Merchant Credit
Pte.Ltd. to
Y.K.Hwang,
Industrial &
Commercial Bank
16th June 1975

Mr. Y.K.Hwang,
Industrial & Commercial Bank,
2 Shenton Way,
Singapore 1.

Dear Y.K.:

Kuala Lumpur Land

I have been informed that Allen & Gledhill are prepared to receive on behalf of a client an offer by us to sell our land in Kuala Lumpur at \$8 per square foot.

I am also informed by Mr. Joseph Lai that his interpretation of the regulations would mean that profits on the sale of land would be taxable if the sale takes place prior to 25th June 1976 as the final transfer of the land to MCPL is dated 25th June 1974. He says this interpretation has not been tested yet. However, with the price at \$8 per square foot the tax aspect is not such a major factor.

The intended purchasers would require a fifty percent mortgage to be arranged for them (through your good office).

EXHIBITS

AB2

Letter from
W.H.Crafter,
Managing
Director of
Merchant Credit
Pte. Ltd. to
Y.K. Hwang,
Industrial &
Commercial Bank
16th June 1975
(continued)

As you know, I have been authorised to dispose of the land at \$10 per square foot by our Board. You have had all my views about the land and its potential value. You are aware that we have received no offers at \$10 per square foot. You are also aware of the feelings of both the major shareholders. Please let me have urgently your agreement or otherwise to offer the land at \$8 per square foot.

10

I am informing Mr. Arthur Lipper III of the situation and am requesting his instructions as to how he wishes me to vote. From his previously expressed views his probable reaction will be to make the offer at \$8 per square foot, but will inform you as soon as I receive his reply.

Yours sincerely,

William H.Crafter
Managing Director

20

EXHIBITS

AB2

LETTER FROM SECRETARY,
INDUSTRIAL & COMMERCIAL
BANK LTD. TO W.H.CRAFTER
MANAGING DIRECTOR, MERCHANT
CREDIT PTE. LTD.

EXHIBITS

AB2

Letter from
Secretary,
Industrial &
Commercial Bank
Ltd. to W.H.
Crafter, Manag-
ing Director,
Merchant Credit
Pte. Ltd.

I C B

10 THE INDUSTRIAL & COMMERCIAL
BANK LIMITED

2 Shenton Way,
Singapore 1
Telephone: 913611
Telex: INDCOMB
RS21112
Cable: "INDCOMBANK"

18th June 1975

Our ref: OBK/4381/75
Your ref:

Date: 18th June, 1975

20 Mr. William H. Crafter,
Managing Director,
Merchant Credit Pte. Ltd.,
ICB Building,
2, Shenton Way,
Singapore 1.

Dear Sir,

Re: Kuala Lumpur Land

Regarding your letter of 16th June 1975 to
Mr. Y.K. Hwang, we are agreeable to the sale of
the said land at \$8/- per sq. ft.

30 In the case of mortgage financing, we shall
try to do what we can. However, as the first
step, please arrange for the purchaser to get
in touch with us and we will introduce him to
our Finance Company in Malaysia, namely, Tong
Bee Finance (Malaysia) Bhd.

Yours faithfully,
For THE INDUSTRIAL & COMMERCIAL BANK LTD.

Sd: (Illegible)
Secretary

OBK/cw1

EXHIBITS

AB2

Copy of Minutes
of Directors'
Meeting of
Merchant Credit
Pte.Ltd. on
31st March 1976

EXHIBITS

AB2

COPY OF MINUTES OF DIRECTORS'
MEETING OF MERCHANT CREDIT
PTE. LTD. ON 31st March 1976

MERCHANT CREDIT PRIVATE LIMITED

MINUTES OF THE DIRECTORS' MEETING HELD ON
WEDNESDAY MARCH 31ST, 1976, AT 5.00 P.M. AT
SUITE 425, INDUSTRIAL & COMMERCIAL BANK
BUILDING, 2 SHENTON WAY, SINGAPORE 1.

10

PRESENT: MR. ONG BEE KOK
MR. D.F.H. SINCLAIR
MR. ARTHUR LIPPER III

Mr. Arthur Lipper III was elected Chairman
for the meeting.

The Chairman instructed the secretary to
file the necessary documents with the Registrar
of Companies, resulting from the resolution
passed at the extraordinary general meeting
held earlier in the afternoon.

20

The Secretary was also instructed to issue
the necessary share certificates.

The Chairman informed the meeting that
Shenton Travel Associates Pte. Ltd. had not
replied to his earlier letter offering the
39,000 shares in that company for sale to its
existing shareholders. The Chairman stated
that he would pursue this matter further.

Mr. D.F.H. Sinclair suggested that the
39,000 shares of Shenton Travel Associates Pte.
Ltd. be offered to the existing shareholders at
a minimum price of \$1.20 per share.

30

RESOLVED:

That Mr. Arthur Lipper III be and is hereby
empowered to sell the 39,000 shares in
Shenton Travel Associates Pte. Ltd. to its
existing shareholders at a price not below
\$1.20 per share but preferably for a sum
exceeding that.

Any other business:

There being no other business the meeting terminated with a vote of thanks to the Chair.

Sd: A. Lipper
CHAIRMAN

Dated this 31st day of March 1976.

EXHIBITS

AB2

Copy of Minutes of Directors' Meeting of Merchant Credit Pte. Ltd. on 31st March 1976
(continued)

EXHIBITS

AB2

COPY OF MINUTES OF EXTRAORDINARY GENERAL MEETING OF MERCHANT CREDIT PTE. LTD. HELD ON 31st March 1976

AB2
Copy of Minutes of Extraordinary General Meeting of Merchant Credit Pte.Ltd. held on 31st March 1976

10

MERCHANT CREDIT PRIVATE LIMITED

MINUTES OF THE EXTRAORDINARY GENERAL MEETING HELD ON WEDNESDAY MARCH 31ST, 1976, AT 4.30 P.M. AT SUITE 425 INDUSTRIAL & COMMERCIAL BANK BUILDING 2 SHENTON WAY, SINGAPORE 1.

PRESENT:

20

DIRECTORS: MR. ONG BEE KOK
MR. D.F.H. SINCLAIR
MR. ARTHUR LIPPER III

SHAREHOLDERS: MR. ONG BEE KOK (Proxy for The Industrial & Commercial Bank Ltd.)

MR. D.F.H.SINCLAIR
MR. ARTHUR LIPPER III
(Proxy for Arthur Lipper International Limited)

30

The Chairman called the meeting to order and reminded the members present that the extraordinary general meeting was called for the purpose of issuing certain shares to certain shareholders, as detailed in the Agenda for this extraordinary general meeting.

EXHIBITS

AB2

Copy of Minutes
of Extraordinary
General Meeting
of Merchant
Credit Pte. Ltd
held on 31st
March 1976

(continued)

The following resolution was tabled :-

"That the Directors be and are hereby authorised to allot 655,000 ordinary shares of \$1/- each in the capital of the company at par to the under-mentioned parties in the following proportions :-

<u>Name</u>	<u>No. of Shares of \$1/- each</u>	
Arthur Lipper International Limited c/o Deacons, Union House 6th Floor, Chater Road, HONG KONG	332,500	10
Industrial & Commercial Realty Company Limited Industrial & Commercial Bank Building 2 Shenton Way Singapore 1	332,500	
	<u>665,000</u>	20

Those voting for the
resolution:

Mr. Arthur Lipper III
(proxy for Arthur Lipper
International Limited)

Mr. D.F.H. Sinclair

Those voting against the
resolution:

Mr. On Bee Kok
(proxy for The Industrial
& Commercial Bank Ltd.)

The resolution was duly carried.

Any other business:

There being no other business, the meeting
closed with a vote of thanks to the Chair.

30

Arthur Lipper
Chairman

Dated this 31st day of March 1976.

No. 20 of 1981

IN THE JUDICIAL COMMITTEE OF THE PRIVY COUNCIL

O N A P P E A L

FROM THE COURT OF APPEAL OF THE REPUBLIC
OF SINGAPORE

B E T W E E N :

MERCHANT CREDIT PRIVATE LIMITED Appellants
(Defendants)

- and -

INDUSTRIAL & COMMERCIAL REALTY Respondents
COMPANY LIMITED (Plaintiffs)

RECORD OF PROCEEDINGS

DOUGLAS GOLDBERG & CO.
Goldsmiths' House,
137-141 Regent Street,
London, W1R 7LD

Solicitors for the
Appellants

NORTON, ROSE, BOTTERELL
& ROCHE,
Kempson House,
Camomile Street,
London, E.C.3.

Solicitors for the
Respondents