IN THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

[2020] SGHC 89

Suit No 925 of 2018

Between

(1) Tan Bee Hong Blossom
(2) Tan Seng Hiong Ivy

… *Plaintiffs*

And

(1) Tan Seng Keow Doreen
(2) Julie Tan Bee Leng
(3) Chiap Chuan Management Pte Ltd
(4) Yong Peng Realty (Pte) Limited
(5) Tan Boon Liat And Company (Singapore) Private Limited
(6) Chiap Chuan Holdings Pte Ltd

… *Defendants*

GROUNDS OF DECISION

[Companies] — [Winding up] — ["Just and equitable" jurisdiction] — [Section 254(1)(*i*) Companies Act]

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v
Tan Seng Keow Doreen and others

[2020] SGHC 89

High Court — Suit No 925 of 2018
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30–31 July, 1–2, 5–8, 13–16 August, 27 September; 18 October 2019

30 April 2020

Mavis Chionh Sze Chyi JC:

Introduction

1 This was an action brought by the Plaintiffs to seek the winding-up of the 3rd to the 6th Defendants under s 254(1)(*i*) of the Companies Act (Cap 50, 2006 Rev Ed) ("CA"). These are four companies whose shares are held by the Plaintiffs as well as the 1st and the 2nd Defendants. In the alternative, the Plaintiffs asked for an order for the buy-out of their shares in the four companies "on terms to the satisfaction of the Court". At the conclusion of the trial, I dismissed the Plaintiffs' action. As they have appealed, I now set out in writing the grounds for my decision.

The undisputed facts

The key persons involved in the trial

2 I will start by setting out the undisputed facts in this case. The Plaintiffs and the 1st and the 2nd Defendants are sisters. The 1st Defendant ("Doreen") is the oldest sister, followed by the 2nd Plaintiff ("Ivy"), then by the 1st Plaintiff ("Blossom"), and finally by the 2nd Defendant ("Julie"). I refer to them collectively as "the Sisters" in these written grounds. Among themselves, the Sisters are accustomed to calling each other by their childhood nicknames: Doreen is usually referred to as "Sis"; Ivy as "V", Blossom as "Pi", and Julie as "Nan". Of the Sisters, Blossom and Julie are married, but only Julie's husband, Tang Siew Kwong ("Alan"), featured as a witness in the trial.

3 The parents were Mr Tan Hock Chong ("Father") and Mdm Poh Kim Lian ("Mother"). Father passed away on 18 April 2003 and Mother passed away on 27 June 2016.

4 The Sisters also had three other siblings: Charlie Tan Seng Hup ("Charlie"), Victor Tan Seng Lee ("Victor"), and Lena Tan Kiat Kee ("Lena"). These other siblings did not give evidence at the trial, although some reference was made to them by the Sisters during their testimonies.

The companies

5 The companies which form the subject of the Plaintiffs' winding-up application in this case (the 3rd to the 6th Defendants) are as follows:

(a) Chiap Chuan Management Pte Ltd ("CCM");

(b) Yong Peng Realty (Pte) Limited ("YP");

(c) Tan Boon Liat And Company (Singapore) Private Limited ("TBL"); and

(d) Chiap Chuan Holdings Pte Ltd ("CCH").

6 In these written grounds, when all of these four companies are referred to collectively, I will refer to them as "the Companies".

7 The number of shares in each company, as well as the amount of issued and paid-up capital, are as follows:

Name of Company	**Issued and paid up capital amount (S$)**	**Number of shares**
YP	Issued – 170,122.00 Paid-up – 170,122.00	170,122
CCM	Issued – 100,000.00 Paid-up – 100,000.00	100,000
TBL	Issued – 426,100.00 Paid-up – 426,100.00	4,261
CCH	Issued – 1,000,000.00 Paid-up – 1,000,000.00	100,000

The properties owned by CCH, YP and TBL

8 CCH, YP and TBL are all property holding companies, while CCM provides management services to these three. CCH, YP and TBL derive their main source of revenue from rental collected from the tenants of units in their buildings, while CCM's main source of revenue comes from service

management payments which it receives from the other three companies. Only CCM employs staff.

9 It is not disputed that the various properties owned by the Companies were acquired by Father during his lifetime as investment properties.

10 Within Singapore, CCH, YP and TBL own freehold strata titles in the following properties:

(a) The RV Building.

This is a mixed residential and commercial development located at 460/A/B/C to 484/A/B/C (even numbers) River Valley Road, Singapore 248345 to 248369 ("RV Building"). The building comprises 56 units, of which CCH owns 44 units (11 stacks of 4 units per stack) and YP owns 12 units (3 stacks of 4 units per stack).

The RV Building is managed by Management Corporation Strata Title 325 ("MCST 325"). Blossom and Ivy are the Council members of the MCST 325 Council. The MCST 325 Council has a physical office at the RV Building. CCM served as the Managing Agent for MCST 325 until on or about 30 April 2017. The Plaintiffs and the Defendants presented opposing explanations as to how and why CCM ceased to be the Managing Agent, with Blossom and Ivy pointing the finger of blame at Doreen and Julie, and *vice versa*. Suntec Real Estate Consultants Pte Ltd was appointed as interim Managing Agent after 30 April 2017 and as Managing Agent with effect from 1 June 2017. CCM also managed the accounts in respect of the RV Building until on or about 1 June 2017, following which Suntec Real Estate Consultants Pte Ltd took on the management of the accounts.

It is not disputed that the Companies share the same principal place of business and physical office at a unit in the RV Building (though Blossom and Ivy have asserted that Doreen and Julie later "unilaterally" moved "TBL or part of TBL" out to another unit in the RV Building).

(b) TBL Building

This is a commercial mixed-development consisting of a main building at 315 Outram Road, Singapore 169074 and a canteen located separately at 313 Outram Road, Singapore 169073 (collectively, "TBL Building"). The main building has 150 units, while the canteen is a double-storey building comprising 2 units. Of the 150 units in the main building, TBL owns 33 units; CCH owns 4 units; and YP owns 1 unit. The remaining units are owned by various sub-proprietors who hold strata title. As to the canteen, CCH owns one storey of the canteen building while the other storey is owned by another sub-proprietor.

Management Corporation Strata 641 ("MCST 641") oversees the estate management of the TBL Building. MCST 641 Council has 9 council members. They include Doreen, who is the Chairperson of the MCST and who represents TBL; Blossom, who represents CCH; and Choy Nam Chew ("Chua"), a relative of the Sisters,[1] who represents YP. Other individuals representing other sub-proprietors also sit on MCST 641.

11 At the time of Father's death in June 2003, CCH also owned properties in Johor Bahru ("JB") ("JB Properties"), Kuala Lumpur ("KL") ("KL

[1] See footnote 1 at p 21 of Julie's affidavit of evidence-in-chief ("AEIC").

Properties"), Melaka ("Melaka Properties") and Ipoh.[2] The JB Properties and the KL Properties were subsequently sold. Indeed, the sale of the JB Properties – as well as the abortive sale of the Melaka Properties – became contentious issues which were canvassed by Blossom and Ivy on the one hand and Doreen and Julie on the other, in their respective bids to demonstrate the other side's unreasonable or even underhanded behaviour.

The Sisters' shareholdings

12 The respective shareholding of each of the Sisters in the Companies is as follows:

NAME OF SHARE-HOLDER	CCM		YP		TBL		CCH	
	No. of Shares Owned	**Shares Owned (%)**	**No. of Shares Owned**	**Shares Owned (%)**	**No. of Shares Owned**	**Shares Owned (%)**	**No. of Shares Owned**	**Shares Owned (%)**
Doreen	25,000	25	42,531	25.000	1,066	25.018	25,000	25
Ivy	25,000	25	42,530	24.999	1,065	24.994	25,000	25
Blossom	25,000	25	42,531	25.000	1,065	24.994	25,000	25
Julie	25,000	25	42,530	24.999	1,065	24.994	25,000	25

13 The Sisters acquired the bulk of their shareholding in the Companies *via* inheritance.[3] Prior to Father's death, he was the majority shareholder in each of

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2 [29] of the Statement of Claim ("SOC").

3 [16] of Blossom's AEIC.

the Companies, and Mother was the minority shareholder, but none of the children held any shares.[4] In his will,[5] Father gave cash gifts to Mother, the Sisters, and their three other siblings (Charlie, Victor, and Lena). The residue of his estate – including shares in the Companies – was given to the Sisters "in equal shares absolutely". Mother and the three other siblings did not receive any shares of the Companies under Father's will. The Sisters were appointed as the trustees and executors of Father's will.

14 It will be seen that after Father's death, the Sisters each hold 25% of the shares in each company, subject to the following minor differences. In TBL, Doreen holds one more share than the other Sisters; and in YP, Doreen and Blossom each hold one share more than Ivy and July. These differences in the TBL and YP shareholdings came about through the following events.

15 In the case of TBL, the company has an odd number of shares in TBL (4,261 shares). After 1,065 shares were apportioned to each sister, the extra share ended up with Doreen. It is Blossom's and Ivy's case that Doreen had represented to them that ownership in the extra TBL share could not be divided between shareholders; and that on the basis that each sister would have an equal one-quarter share in the extra TBL share, they had "entrusted" Doreen with their respective one-quarter shares for her to hold on their behalf.[6] It is Doreen's and Julie's case that Blossom, Ivy and Julie had unanimously and unconditionally agreed to let Doreen have the extra TBL share because she was the eldest sibling. According to Doreen and Julie, there was never any

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4 [23] of Julie's AEIC.

5 pp 242-243 of Blossom's AEIC.

6 [13.1] of the SOC at Tab 9 of the Setting Down Bundle ("SDB"). See also for e.g. [20(a)] of Blossom's AEIC.

understanding or agreement that each sister would own a one-quarter interest in this extra TBL share: Doreen has at all material times been (and continues to be) the sole legal and beneficial owner of the extra TBL share.[7]

16 In the case of YP, Doreen and Blossom had each purchased one of Mother's YP Shares. Prior to her death, Mother held 3,000 shares in CCH; 2,000 shares in CCM; 100 shares in TBL; and 2 shares in YP. Sometime in late 2013 or early 2014, Mother sold her shares to the Sisters in equal proportions - save for her YP shares. Ivy and Julie had declined to purchase Mother's YP shares; and eventually, it was Doreen and Blossom who each purchased one of Mother's YP Shares.

The directorships of the Companies

17 Prior to his death, Father was a director of all four Companies. Up to the point of her death on 27 June 2016, Mother too was a director of each of the Companies;[8] and specific to CCH, Father had appointed her as "Life Director" pursuant to Article 77 of CCH's articles of association.[9] Prior to his death, Father had also appointed Blossom and Ivy as directors of CCH; Doreen as a director of TBL; and Julie as a director of YP. Chua – who is a relative of the Sisters' – was also appointed as a director of CCM and YP.[10]

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7 [31]-[32] of the 1st and 2nd Defendants' Defence (Amendment No. 1).

8 [25] of Blossom's AEIC.

9 p 139 of Blossom's AEIC.

10 [63] of Julie's AEIC.

18 Father's will expressly stipulated that "no son of [his] shall be … appointed as officer or employee or agent" of any of the Companies.[11] Apart from this express stipulation, Father's will did not say anything either specifically about the directorships of the Companies or more generally about the management of the Companies' affairs.

19 It will be recalled that pursuant to the terms of Father's will, the shares in the Companies were bequeathed to the Sisters in equal shares; and that all four Sisters were appointed as the trustees and executors of the will. Following Father's death and on or around 17 June 2003, the Sisters appointed themselves as directors of all the four Companies (insofar as they were not already directors).[12] As to why they became directors of the Companies, Blossom and Ivy had a different version of events from that put forward by Doreen and Julie.

20 While there were varying accounts among the Sisters as to how the Companies' affairs were managed post 17 June 2003, broadly speaking it was not disputed that in the immediate aftermath of Father's death in April 2003, Julie was the only one of the four Sisters who worked fulltime in CCM (the company providing management services to the three property-owning companies). At that point, Doreen was an academic who split her time between Singapore and Australia; Ivy resided primarily in Malaysia and also Australia; and Blossom, whilst based in Singapore, was then in fulltime employment with Hewlett-Packard (although at trial she alleged that even whilst employed by

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11 Clause 5 of Father's will at p 243 of Blossom's AEIC.

12 [26] of Blossom's AEIC; [84] of Julie's AEIC.

Hewlett-Packard, she had spent a portion of her time working in the CCM office).

21 In 2004, Doreen gave up her academic position in order to work alongside Julie in CCM. In February 2010, Julie took a leave of absence from CCM which lasted till August 2010. Sometime in 2010, following Julie's decision to go on a leave of absence, Doreen invited Blossom to join her in working in CCM, and Blossom agreed. When Julie returned to work in August 2010, Blossom had already started working fulltime in CCM; and she continued to do so until her resignation on 28 July 2016.

22 Throughout these proceedings, Doreen and Julie have used the term "working directors" to describe their positions in CCM.[13] Whilst Blossom and Ivy expressed reservations about the use of this term and/or professed at times not to understand what it meant, I was prepared to accept the term as a form of convenient shorthand for referring to those directors who worked fulltime in CCM. This would cover not only Doreen and Julie but also Blossom during the period between 2010 and July 2016 when – post her resignation from Hewlett-Packard – she was working fulltime in CCM.

23 As for Ivy, it was not disputed that during the period she was living in Malaysia and Australia, she assisted to look after the Malaysian properties. It was also not disputed that she continued to do so after her return from Australia to Singapore in 2012. Ivy herself has alleged that she was "generally prepared to leave the day to day handling of Singapore business operations to the other Sisters (which concerned Singapore properties), but … expected to be kept

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13 See e.g. [39] of the 1st and 2nd Defendants' Defence.

abreast on all matters pertaining to the Companies".[14] On 28 July 2016 (the date of Blossom's resignation), however, she wrote to the other Sisters stating that she was retiring "from involvement in the Singapore operations".[15]

24 I will next summarise the versions of events put forward by Blossom and Ivy on the one hand, and by Doreen and Julie on the other.

Blossom's and Ivy's version of events

The Companies were a "Family Business" and a "quasi-partnership"

25 The central tenet of Blossom's and Ivy's case was that the affairs of the four Companies were "closely intertwined" and that the Companies were managed on a "collective basis" as the vehicles through which the "Family Business" of "property leasing and/or property management" was conducted.[16] The Statement of Claim pleaded that the Companies "were in effect a quasi-partnership between the Sisters", or that it was "in any case managed as such by the Sisters since 17 June 2003 together with the Mother until recent events".[17]

26 Blossom and Ivy sought to assert that each Sister had a legitimate expectation to participate in the management of the Companies. According to them:[18]

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14 [18] of Blossom's AEIC.

15 [219] of Julie's AEIC.

16 [20]-[22] of the Statement of Claim; see also e.g. [29] of Blossom's AEIC.

17 [25] of the Statement of Claim.

18 [30]-[31] of the Statement of Claim; see also e.g. [31] of Blossom's AEIC.

> Until recent years, the Sisters, as directors and shareholders of the Companies, had associated with each other (and their Mother) in the conduct of the Family Business on the basis of the personal relationship they had with each other. The relationship between the Sisters, as shareholders (and directors) was during the years immediately post 2003 informal and one of mutual trust and confidence. This formed the basis of the Family Business.
>
> It was a common understanding between the Sisters (and which the Sisters accordingly also expected) that the Sisters would each:
>
> a) be entitled to participate in management of the Companies; and
>
> b) treat each other fairly and/or be transparent in their dealings with each other in the management of the Family Business / Companies.

27 According to Blossom and Ivy, each of the Sisters had a defined role in the management of the Companies' affairs. They claimed that Doreen's focus was on "generating revenues from the TBL Building"; Julie's focus was on "generating revenues from the RV Building"; Ivy's focus was on the management of the Malaysian properties; and as for Blossom, she claimed to have been "involved in managing all the Companies, especially in CCM" from February 2010 until her resignation.[19]

The beginning of the end: Blossom's and Ivy's version of the "strained" relationship between 2010 and 2014

28 Blossom and Ivy claimed that the relationship of mutual trust and confidence which the Sisters enjoyed began to show signs of strain from 2010 onwards. They pinned the blame largely on Julie – though Doreen too came in for her fair share of blame in relation to events in later years.

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19 [45] of Blossom's AEIC.

29 The main source of friction was apparently the relationship between Blossom and Julie. While these two sisters had never been close, according to Blossom, their relationship became increasingly fractious from 2010 onwards; and she attributed the cause to "increasing acrimony from Julie".[20] Thus, for example, Blossom exhibited email correspondence from Julie in which the latter had responded to her announcement of a new IT system in the CCM office with comments about her "stirring" (apparently a reference to her stirring up trouble); and she also exhibited email correspondence from Doreen in which the latter described Julie at one point as "a law unto herself".[21] There were also other emails in which Julie continued to make scathing comments about "a 'stirrer' in management" and a "renown [*sic*] stirrer" which were understood to be references to Blossom.[22] Tension even erupted over the use of the meeting room in the CCM office, with Blossom claiming that Julie had appropriated the room for her "exclusive use" in end-2011 or early 2012.[23] Eventually, since Julie refused to surrender the keys to the meeting-room, a section of the main office had to be partitioned off to create a new meeting-room.

30 At the same time, according to Blossom, Julie carped about her efforts to bring "proper order" to the running of the Companies – and Doreen too "started taking Julie's side", telling Blossom that "a small company with a family-styled cultural tradition" could not be "run like a military bootcamp where rules over-rule".[24] Blossom also alleged that Julie was creating problems

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20 [53] of Blossom's AEIC.

21 [48]-[53] and Tab TBHB-2 of Blossom's AEIC.

22 [54]-[55], [59 (e) to (f)] of Blossom's AEIC.

23 [59(a) to (d)] of Blossom's AEIC.

24 pp 274-275 of Blossom's AEIC.

for the Companies' operations by refusing to co-sign cheques and by absenting herself from the office "for stretches" during a period when revenue from the RV Building – which was under Julie's charge – was "declining".[25] Both Blossom and Ivy claimed that they were "kept in the dark" when a tenant in the RV Building started a suit, DC Suit 3773 of 2013 ("DC Suit 3773"), against CCH; further, that they were "shut out from asking questions about the case at a board of directors meeting and from decision making with respect to the case".[26]

31 As the relationship between the Sisters continued to fray, Doreen emailed the other Sisters in February 2012 suggesting that as they were all "aware of the tensions in managing the companies that [they had] inherited from Dad", it might be "timely to look into share ownership in these companies with distribution in mind", and that there might be a need for "professional advice in pursuing this path".[27] Both Ivy and Julie replied to say that they agreed with Doreen's suggestion. On 18 February 2012, Blossom emailed Doreen and Ivy to share information gleaned from her checks on options such as the *en bloc* sale of properties.[28] (Julie was not copied in Blossom's email but a hard copy of the email was later given to her at Doreen's request.) On 29 February 2012, Doreen emailed the other Sisters again, stating somewhat vaguely that "[t]he consensus is to proceed". In the same email, she also asked the other Sisters to consider the following:

> …Are we talking about company restructuring whereby shares are juggled around to reduce number of shareholders /

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25 [68]-[71] of Blossom's AEIC.

26 [70] of Blossom's AEIC.

27 p 259 of Blossom's AEIC.

28 p 260 of Blossom's AEIC.

> directors with companies remaining intact or share distribution with possibility of liquidation of companies.

32 At this stage, however, nothing concrete came out of the email exchange.

The sale of the JB Properties

33 In 2013, unhappiness over the sale of the JB Properties caused further friction in the relationship between the Sisters. In gist, Julie had in August 2013 made an offer to purchase the JB Properties at the valuation price of RM 2.4 million. Julie asserted that the other three Sisters had agreed to the properties being sold to her at this price, but Ivy – who was responsible for the sale arrangements – had then changed her mind and asked Julie to "match the price of RM 2.7 million".[29] Ivy's explanation for her change in position was that she had "a third party offer for RM 2.7 million"[30] for the JB Properties; that Doreen and Julie had pressured her to sell the properties to Julie at RM 2.3 million; and that following discussion with Mother, she had concluded that it would not be "fair to CCH and by extension, to the other shareholders" if she were to sell the properties at RM 2.3 million.

34 After some to-ing and fro-ing, Julie agreed to pay RM 2.7 million, but there followed more unhappiness over the proposed terms of the letter of offer. The chief source of contention related to the inclusion – in the letter of offer – of Alan as one of the persons to whom an option to purchase the JB Properties might be given.[31] This prospect of Alan being a co-purchaser of the JB

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29 [144]-[148] of Blossom's AEIC.

30 [35] of Ivy's AEIC.

31 p 548 of Julie's AEIC.

Properties "disturbed" Blossom;[32] and although in the end Ivy signed the letter of offer which named both Julie and Alan as co-purchasers, Blossom refused to co-sign the sale and purchase agreement together with Ivy on behalf of CCH. Since Julie herself was a party to the agreement and could not sign the agreement as CCH's representative, Blossom's refusal to co-sign meant that Doreen had to fly back from Australia to co-sign together with Ivy; and this also had to be done in a rush by 31 December 2013, before a new capital gains tax came into effect on 1 Jan 2014. Blossom, for her part, maintained that Julie had "concealed" her intention to make Alan a co-purchaser when she first made an offer for the JB Properties; and that by including Alan, Julie had contradicted her own avowed intention to purchase the JB Properties "to preserve … Father's legacy".[33]

The abortive sale of the Melaka Properties

35 The attempted sale of another set of CCH's Malaysian properties created a further rift between the Sisters. In early October 2013, Ivy informed the other Sisters that she had received the figure of RM 750,000 as the valuation price of the Melaka Properties. Doreen expressed an interest in purchasing the Melaka Properties at the valuation price and requested time to consider the matter after getting information on the relevant regulations. However, after she confirmed her interest with Ivy in November 2013, she was informed by Ivy that the sale price would be RM 1.025 million. Ivy explained that this was the average of two valuation prices which she had obtained subsequent to October 2013.

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32 [74] of Blossoms AEIC.

33 [74] of Blossom's AEIC.

36 Doreen responded by telling Ivy that she would only consider paying "10% higher than RM 750,000".[34] Around the same time, Blossom informed the other Sisters that she would co-sign the sale and purchase agreement for the Melaka Properties only if certain conditions were met – including a condition that there be "more than 1 set of valuation reports on which the sale price is based".[35] Eventually, Doreen decided not to proceed with the purchase of the Melaka Properties. Blossom and Ivy contended, however, that when they later agreed to allow CCH to sell the Melaka Properties to one Pastor Francis and his brother for RM 1 million, Doreen and Julie "obstructed the process" by "suddenly withdraw[ing] their support of the sale without clearly stating their reasons".[36] As a result, the sale to Pastor Francis and his brother was "thwarted"; and the Melaka Properties remain unsold today.[37]

The "severe deterioration" of the Sisters' relationships from 2015 onwards

37 According to Blossom and Ivy, whilst the Sisters' relationship had already started to show signs of "strain" from 2010 onwards, it was from 2015 onwards that things went severely downhill and the Sisters became clearly polarised on two opposing sides: Doreen and Julie on one side, Blossom and Ivy on the other.

38 One of the key triggers for the "severe deterioration" in their relationship was apparently Doreen's announcement – at a meeting of the directors of the Companies on 25 May 2015 – that she intended to sell her shares to Julie. To

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34 [100] of Doreen's AEIC.

35 [104] of Doreen's AEIC.

36 [75] of Blossom's AEIC.

37 [46] of Ivy's AEIC.

Blossom and Ivy, this came as a shock. It meant that only Doreen would be able to "exit, and retire from business".[38] Indeed, Ivy described herself as feeling "betrayed" as it seemed to her that Julie had been "preferred".[39] The possibility of Julie buying over Doreen's shares in the Companies was also highly disconcerting to Blossom and Ivy because they felt that it would "centralise power with just one person i.e. Julie" (Blossom's words)[40] and "tilt the control of the Companies in Julie's favour" (Ivy's words).[41] *Inter alia*, as Ivy pointed out, it would "give Julie a majority in TBL".

39 On 29 May 2015 (four days after Doreen's announcement), Blossom sent an email to the other Sister to follow up on Ivy's notes of the meeting on 25 May 2015. In it, she asked, *inter alia*:[42]

> … Is Sis [Doreen] planning to relinquish your responsibilities of all companies shares and if not, which ones? If it should include TBL, then I would like us to discuss about the quarter share that I had agreed to let Sis have it, since she's the eldest.

40 Again, however, nothing concrete came out of Doreen's announcement on 25 May 2015: Doreen did not proceed to sell her shares to Julie at this stage; and she also continued to hold the extra TBL share. It was to be nearly a year later, on 4 May 2016, that Blossom and Ivy wrote to Doreen to ask for "the return" of their one-quarter interests in the extra TBL share.[43]

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38 [57] of Ivy's AEIC.

39 [58] of Ivy's AEIC

40 [80] of Blossom's AEIC.

41 [57] of Ivy's AEIC.

42 pp 232-233 of Volume A1 of the Agreed Bundle of Documents ("A1-232 & A1-233").

43 A1-376 and A1-378.

41 In the meantime, Blossom and Ivy became suspicious that behind their backs, Doreen and Julie were making their own "private plans" for the Companies.[44] According to Blossom and Ivy, by mid-2015, the Sisters were "not working as a team", "not communicating and no co-operating".[45] At a Directors' meeting on 13 August 2015, Ivy proposed an *en bloc* sale of the Companies' properties or a share swap (swapping TBL's shares with CCH's and YP's).[46] According to Blossom and Ivy, Doreen and Julie objected to the former. All four Sisters agreed to "explore share-swapping or any other options to avoid further disputes".[47] Some email correspondence ensued between them, and there was discussion of various options, including the possible sale of the RV Building – but no decision was reached.[48] Tension continued to brew over a range of matters such as the signing of cheques, the condition of the RV Building and the potentially extensive repairs required, as well as Doreen's and Julie's decision to reduce the length of tenancies in the RV Building.

42 On 2 October 2015, Doreen sent the other Sisters a note stating that Mother had "authorised [her] to take the lead in all business-related matters, and to delegate work that needs to be carried out if need be, in [her] capacity as the eldest of the siblings"; and that accordingly she intended to "proceed with investigating different options regarding the proposed sale of [the RV Building]" and to arrange for TBL to "be managed by the company itself"

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44 [82] of Blossom's AEIC; [62] of Ivy's AEIC.

45 [84] of Blossom's AEIC; [66] of Ivy's AEIC.

46 [67]-[69] of Ivy's AEIC.

47 [87] of Blossom's AEIC.

48 See TBHB-4 of Blossom's AEIC.

instead of by CCM.[49] Blossom claimed that Mother "denied authorising Doreen"; and a note dated 9 October 2015 was subsequently produced, purportedly written by Mother and declaring that she had not authorised Doreen "to make decisions on behalf of the (her) [*sic*] younger sisters and the company matters".[50]

43 For their part, Blossom and Ivy claimed that they were the ones encouraging the other Sisters to meet to discuss their options. Blossom described the options being put forward for consideration as that of "an *en bloc* sale of the Properties (to unlock their value) as well as the Share Swap".[51] These were also discussed at a meeting of the directors in January 2016, at which other options such as voluntary liquidation of the Companies – or having one pair of sisters take over the TBL Building and the other pair take over the RV Building - were also mentioned.[52] It was agreed that the Sisters would find out more about the liquidation process. Blossom and Ivy alleged, however, that whilst a decision had yet to be made on "the issue of parting ways", Doreen and Julie had already set in place machinations to remove Mother as a director of the Companies. Although Doreen and Julie explained that their suggestion to re-designate Mother as a consultant was due to concern over her age (82 years) and her poor health (cancer and other conditions),[53] Blossom and Ivy alleged that they were really seeking to remove the obstruction which Mother posed to their

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49 p 309 of Blossom's AEIC.

50 pp 310-311 of Blossom's AEIC.

51 [92]-[93] of Blossom's AEIC.

52 [99]-[100] of Blossom's AEIC; [79] of Ivy's AEIC.

53 p 314 of Blossom's AEIC.

plans and that Mother had "complained" about their "badgering" her over this issue.[54]

44 Despite Doreen's and Julie's suggestion to re-designate Mother as a consultant, this did not happen; and Mother remained a director up to the time of her death on 27 June 2016. The Annual General Meetings ("AGMs") of the Companies had actually been scheduled for 30 June 2016, but they did not proceed on that day as Mother's sea burial took place on that day. Doreen and Julie also did not agree to Blossom's proposal that the AGMs be held the following day (1 July 2016). Their explanation – that they were not in a state of mind to have the AGMs so soon after Mother's death – was disbelieved by Blossom and Ivy. The latter charged that Doreen and Julie had certainly been well enough to visit the office on 1 July 2016. Indeed, it was alleged that that Doreen and Julie had told the staff that they were the "directors managing the business", that Doreen had given Alan a Power of Attorney ("POA"), and that the staff should report to Alan on "business matters".[55]

45 Whilst Blossom and Ivy castigated Alan for his involvement in the Companies' affairs, they did meet up with him on 7 July 2016 and 23 July 2016 to discuss how the Sisters "could go about parting ways".[56] Nothing came out of these meetings. For one, although Alan allegedly "pressed the idea of an *en bloc* sale of the Properties" (which Ivy had previously proposed), both Blossom and Ivy took the position that he "could not represent Doreen and Julie".

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54 [103]-[105] of Blossom's AEIC.

55 [119]-[121] of Blossom's AEIC.

56 [122] of Blossom's AEIC.

Further, although they had been told that Doreen had given a POA to Alan,[57] they wanted either Doreen or Julie to produce the POA to them;[58] and they lamented that they only obtained a copy of the POA after proceedings had commenced, despite the fact that the POA dated from 8 July 2016.[59] They also complained that Doreen and Julie were abetting Alan's "intrusion into the Companies" and giving him access to "the Companies' confidential information".[60]

The events of 28 July 2016 and thereafter

46 The AGMs of the Companies had been postponed to 29 July 2016, but on 28 July 2016, a series of events took place which prevented the AGMs from being held. First, the company secretary – one Jenny Tang – tendered her resignation *via* email.[61]

47 On the same day (28 July 2016), Blossom tendered her resignation as "an employee" of CCM *via* a letter forwarded by email to the other Sisters.[62] In her letter, she blamed "some directors" for her resignation, claiming that her "communications on the business matters and repeated requests for face-to-face meetings" had been persistently "ignored". She also warned that Jenny Tang's resignation as company secretary was "likely to have further consequences" but that she "will not be held liable" as she had "completed [her] due diligence".

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57 [120] of Blossom's AEIC.

58 [123] of Blossom's AEIC.

59 Tab TBHB-9 of Blossom's AEIC.

60 [103] and Tab TSHI-8 of Ivy's AEIC.

61 p 361 of Blossom's AEIC.

62 A1-413.

48 Blossom's letter was plainly intended to make clear that she would no longer be working in the CCM office, even though she retained her directorship. Although Ivy – unlike Blossom – was not employed fulltime in the CCM office, she too did something fairly similarly on the same day (28 July 2016). On that day, Ivy too sent a letter to the other Sisters titled "Retirement from Singapore Operations", in which she told them not to contact her "[w]ith immediate effect" on "the matters relating to the daily running of the Singapore operations of the four companies".[63] She also stated that her "status as a Director and Shareholder remain [*sic*]" and that she expected to "continue to be fully apprised of all matters relating to the four companies on a regular basis".

49 As the AGMs could not be held until 27 September 2016, the Companies were penalised by ACRA. In the meantime, according to Blossom and Ivy, the staff had already been told by Doreen and Julie not to take instructions from them. At TBL's AGM on 27 September 2016, Blossom – who was then the retiring director in TBL – was not re-elected due to Doreen and Julie voting against her re-election. Blossom claimed that Doreen and Julie refused to give her any reason for the move, and that it was a rejection of "Father's intention to have the 4 [Sisters] working as a team".[64] In the course of the trial, the Plaintiffs' counsel sought to put it to Doreen and Julie that Blossom's non-re-election was in breach of Article 87 of TBL's articles of association.[65] I will deal with this argument in the later portion of these written grounds.

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63 A1-411.

64 [132]-[133] of Blossom's AEIC.

65 p 208 of Blossom's AEIC.

50 Despite these developments, a meeting of the directors still went ahead on 3 October 2016, with a number of decisions being taken. *Inter alia*, according to Blossom, the Sisters discussed the options of a share swap and an en bloc sale, and came to an agreement that the Companies' auditors – Ng, Lee & Associates-DFK ("NLA") – should be requested to "look into the share swap proposed with emphasis on equalising the share value to allow for a fair exchange".

51 It will be remembered that in respect of the RV Building, CCH and YP own all 56 units in the building; and Blossom and Ivy make up the council members of MCST 325. Doreen and Julie do not sit on the council of MCST 325 but were – in their own words – the only two working directors left in CCM after Blossom's resignation and Ivy's "retirement from Singapore operations". CCM had been serving as the managing agent for the RV Building, but in the period following 28 July 2016, CCM's service agreement with MCST 325 was terminated. A new managing agent was subsequently appointed. The two sides blamed each other for the termination. Blossom and Ivy also claimed that Doreen and Ivy made other allegedly nefarious moves such as writing to question Blossom's engagement of an unlicensed contractor to address serious spalling concrete issues at the RV Building;[66] relocating TBL's office to another unit in the RV Building despite Ivy's protestations;[67] attempting to evict MCTS 325 from the office in the RV Building[68] and attempting to remove Blossom from the council of MCST 325.[69] It should be noted that MCST 325 apparently

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66 pp 385-387 of Blossom's AEIC.

67 [116]-[117] of Ivy's AEIC.

68 Tab 13 of Ivy's AEIC.

69 p 177 of Ivy's AEIC.

remains at the same physical office, and Blossom remains on the MCST council, but the unhappiness created by the perceived nefariousness on Doreen's and Julie's part continued to rankle.

52 Other major issues which rankled during this period included Doreen's and Julie's alleged attempts to "entrench Alan in the management of the Companies". At the directors' meeting in January 2017, for example, Doreen had requested that Alan be appointed as her alternate director when she was unable to attend due to an urgent medical appointment. The request was not acceded to by Blossom and Ivy. On 15 February 2017, Doreen informed them that Alan had been appointed as a "Management Consultant / Advisor" to the Companies.[70] This too met with protestations from Blossom and Ivy, both of whom objected vehemently to the perceived "entrenchment" of Alan.[71]

53 Yet another matter which Blossom and Ivy objected to was the increase in the salary paid by CCM to Julie. Prior to September 2016, Julie's monthly gross salary had remained at $2,020 for years, but from September 2016 onwards, it was increased to $6,000[72]. Blossom and Ivy charged that their approval was required for any salary increase, and that this particular increase was "unauthorised" because Doreen and Julie had effected it without their prior approval. Although Doreen explained that the increase in Julie's salary was "to be expected" in view of her having to step in to "helm the business" after Blossom's sudden resignation, both Blossom and Ivy refused to accept the

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70 pp 413-414 of Blossom's AEIC.

71 Tab 16 of Blossom's AEIC

72 p 482 of Blossom's AEIC.

explanation;[73] and the issue of Julie's salary increase remained a point of contention between the two sides.

54 The sense of grievance which Blossom and Ivy professed to feel about the "unauthorised" payments to Julie was aggravated by their discovery that Alan's company Goodstar Developments (S) Pte Ltd ("Goodstar") was being paid $4,280 for Alan's management consultancy services, as well as by the Sisters' disagreement over the issue of dividends. In respect of this latter issue, Doreen and Julie had taken the view that CCH and TP – which owned all the units in the RV Building – needed to conserve cash for all the repairs needed to the building. As such, CCH and YP had not paid out dividends from 2016 and 2014 respectively (It is not disputed that TBL continued to pay dividends throughout the same period, though Blossom and Ivy have complained that the amount of dividends paid has decreased.). Blossom and Ivy were upset about this, particularly since Julie's salary increase in CCM was effected after the halt to dividend payments by CCH and YP.[74]

55 As a result of their unhappiness over Julie's "unauthorised" salary increase, Blossom and Ivy refused to approve CCM's 2016 accounts at the CCM AGM on 4 July 2017.[75] They continued to refuse to approve CCM's 2016 accounts even after the abortive AGM on 4 July 2017. In addition, it was alleged that Doreen and Julie had failed to respond to requests by Blossom and Ivy for a "full inspection" of various records such as the CCM cashbooks and

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73 p 490 of Blossom's AEIC.

74 [123]-[124] of Ivy's AEIC.

75 [190]-[192] of Ivy's AEIC.

"the cheque books and documentation supporting the accounts".[76] On 25 August 2017, Doreen proposed to Blossom that in view of her continued objections to Julie's increased salary, she should return to work in CCM, and that Julie's salary would be re-adjusted once she returned. This offer was not taken up by Blossom: a reply sent by Ivy on behalf of Blossom and Ivy herself raised objections to a number of things, from Doreen's use of to a "common email address" (ccm2012@singnet.com.sg) to send her 25 August 2017 email, to the perceived "insinuation" that Blossom had "not been performing her responsibilities as a director". Another attempt was made by Doreen on 7 September 2017 to invite Blossom back to CCM to "helm" the company as a working director; and Doreen also proposed that she and Julie leave their positions as working directors to "pave the way" for Blossom.[77] The invitation was not taken up by Blossom; and at trial, it was alleged that it was impossible for Blossom to return to CCM when they had already set the staff against her (This was disputed by Doreen and Julie.).

56 In September 2017, with Blossom and Ivy still refusing to approve CCM's 2016 accounts, Doreen and Julie proposed the voluntary liquidation of CCM. This was opposed by Blossom and Ivy who claimed that it was simply a "blatant attempt to sweep the issue [of Julie's salary increase] under the carpet".[78]

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76 [205] of Blossom's AEIC.

77 Tab 51 of exhibit JT-1 of Julie's AEIC.

78 [201] of Blossom's AEIC.

The repairs to the RV Building

57 In 2017, the state of the RV Building also became a focal point of the two sides' unhappiness with each other. In April 2017, the Building and Construction Authority ("BCA") directed MCST 325 to appoint a structural engineer to conduct a periodic structural inspection of the RV Building and to submit a report to the BCA.[79] On 29 August 2017, the BCA notified MCST 325 that as the structural engineer had in his report identified certain defects in the building (mainly related to concrete spalling), the MCST was required to carry out remedial works – namely, "[r]epair of all the columns, beams, slabs with concrete spalling" – as well as to carry out "the other minor remedial measures recommended by [the] Structural Engineer to prevent further deterioration".[80]

58 In November 2017, Doreen and Julie (as CCM's working directors) wrote to Blossom and Ivy to note that it was "heartening to learn that the MCST 325, following BCA's order, plans to make good the infrastructure".[81] They also stated that it was "timely to undertake repairs to the individual units" in the RV Building so as to "render the units tenantable"; that "Julie and Alan as the Management Advisor" had been tasked "to spearhead the project"; and that "[f]or safety reasons, the tenancy agreements expiring end Dec 2017 [would] not be renewed". Blossom and Ivy were requested for the details of the remedial works so that the repair works in the individual units could be "carried out seamlessly".

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79 p 341 of Julie's AEIC.

80 p 356 of Julie's AEIC.

81 p 629 of Blossom's AEIC.

59 Doreen's and Julie's plans to carry out extensive repairs to the individual units in the RV Building met with objections from Blossom and Ivy who opposed Alan's involvement and who also protested that any decision not to renewal tenancy agreements had to be a "joint decision" made by all four Sisters.[82] They took exception to Doreen's and Julie's stated plans to proceed with the repair works and their suggested alternative of a "business update meeting" in January 2018,[83] insisting that a board meeting and the approval of all four Sisters were necessary before any decisions could be made regarding these works. In the meantime Doreen and Julie complained that they had yet to receive from MCST 325 any details of the infrastructure remedial works ordered by the BCA.

60 The wrangling between the two sides continued through 2018, with Blossom and Ivy claiming that MCST 325 was being denied the access it required to carry out the BCA-directed remedial works. It should be noted that while Blossom and Doreen insisted that these remedial works were completed by December 2018,[84] Doreen and Julie disputed this.

61 For their part, Blossom and Ivy accused Doreen and Julie of carrying out large scale repairs of the RV Building from early 2019, allegedly "without Ivy's and [Blossom's] consent".[85] These repairs – which included waterproofing of the various units in the building and replacement of popped or

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82 pp 628-629 of Blossom's AEIC.

83 p 628 of Blossom's AEIC.

84 [225] of Blossom's AEIC.

85 [228]-[229] of Blossom's AEIC.

damaged floor tiles[86] - were said to be scheduled for completion sometime in September 2019.

Blossom's and Ivy's case on being "trapped" in the Companies

62 It will be remembered that Blossom and Ivy took the position that the Companies constituted a "family business" and a "quasi- partnership". It was Blossom's and Ivy's case that "[a]s a result of the irreconcilable difference between the Sisters, the relationship between the Sisters [had] completely broken down" and that "the Companies' boards [were] effectively deadlocked".[87] According to them, the "trust and confidence that formed the basis on which the Sisters managed the Companies when they came together to do so after June 2003, [had] been completely eroded". According to them, "[a]s a result, the Companies [were] unable to properly function[88] and had been "badly hindered in making business decisions", with CCH, YP and CCM experiencing a decline in their revenue (and indeed, CCM "operating at a loss").[89]

63 Further, it was Blossom's and Ivy's case that Doreen and Julie had "blocked [their] exit as shareholders" and that they were "trapped" in the Companies.[90] It was alleged that Doreen and Julie had blocked various exit options. For one, it was alleged that they had "reneged" on the share swap

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86 [54] of Julie's AEIC.

87 [135] of Ivy's AEIC.

88 [136] of Ivy's AEIC.

89 [137] of Ivy's AEIC.

90 [236] of Blossom's AEIC

proposed by Blossom[91] (which would have involved the Sisters swapping the shares of CCH and YP with TBL shares or vice versa). It was also alleged that they had "resisted the sale of the freehold RV building and the land jointly owned by CCH and YP", which "prevented a distribution of all the assets of the Companies between" the Sisters.[92]

64 Over and above these allegations, Blossom and Ivy claimed that despite their offering to sell their shares in the Companies to Doreen and Julie, the latter two had refused to buy these shares.[93] In fact, Blossom and Ivy claimed that they had offered to sell their shares as early as 10 February 2017, and castigated Doreen and Julie for "not responding clearly". One of the key sticking points appeared to be the disagreement between the two sides as to whether Blossom and Ivy should indicate the price they were seeking as the would-be sellers, or whether Doreen and Julie should come up with a proposed purchase price. It should be noted that in December 2016, the Sisters had procured Valuation Reports from the Companies' auditors, NLA, on the Net Asset Value ("NAV") of the shares[94] ("the 2016 Valuation Reports"). The valuation had factored in a discount which according to Blossom and Ivy came to "about 44%" in "some cases". According to Blossom and Doreen, on "several occasions" including 10 February 2017, they had "indicated [their] willingness to consider a sale of all [their] shares in all the Companies (on a collective basis) to Doreen and Julie, at the value assessed by the Valuers (after including the deep discounts) for each

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91 [237]-[241] of Blossom's AEIC.

92 [242] of Blossom's AEIC.

93 [243]-[266] of Blossom's AEIC.

94 Tab 33 of Blossom's AEIC.

of the Companies"[95] ("the Valuation Price"). However, by 30 June 2017, while Blossom was allegedly still willing "in principle" to "sell all [her] shares at the discounted valuation price", Ivy "informed that she was no longer prepared to sell her shares at that particular price".[96] Doreen had then invited Blossom and Ivy to write to her and Julie accordingly, but when Blossom and Ivy did write, it was to insist that Doreen and Julie should name "the price at which they would be prepared to buy out [their] entire shareholding".[97] As Doreen and Julie took the position that it was Blossom and Ivy who should (as the would-be sellers) be indicating their price, discussions regarding the sale of the shares did not make any headway.

65 In November 2017, Doreen asked Blossom and Ivy whether – to "break the impasse" – they would at least "reconsider selling [their] shares in CCM". The latter two replied on 4 December 2017 to reject Doreen's suggestion.[98]

The commencement of proceedings by Blossom and Ivy

66 On 7 December 2017, Blossom and Ivy filed proceedings for the winding-up of all four Companies (which proceedings were later consolidated into and converted to the present writ action). Following their commencement of proceedings, there were discussions between the two sides' lawyers, mainly on the possibility of a sale of all of Blossom's and Ivy's shares to Doreen and Julie. However, these discussions did not result in an amicable resolution of the matter – a state of affairs for which Blossom and Ivy blamed Doreen and Julie.

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95 [243] of Blossom's AEIC.

96 [252] of Blossom's AEIC.

97 [253] of Blossom's AEIC.

98 [262]-[263] of Blossom's AEIC.

67 In the later part of these written grounds, I will deal with the issues raised in relation to the discussions about the sale of shares post Blossom's and Ivy's commencement of proceedings. I next set out the key aspects of Doreen's and Julie's version of events.

Doreen's and Julie's version of events

The Companies are not and have never been a "Family Business" or a quasi-partnership

68 Unsurprisingly, Doreen and Julie refuted the proposition that the Companies were a "Family Business" and/or a quasi-partnership run on the basis of a relationship of mutual trust and confidence between the Sisters. According to Doreen and Julie, the Sisters were never close, even as children; and Blossom and Julie, in particular, never got along. Blossom was the favourite child of their parents, who would "often take her side when there were disagreements among the children"; and since childhood, she had been accustomed to appealing to "a higher power" – usually Father or Mother – to get her way.[99]

69 The Companies were set up by Father as the corporate vehicles for holding his various investments. As the majority shareholder (with Mother as the only minority shareholder), Father controlled all four Companies and made all the decisions in relation to the running of the Companies. These included decisions as to whom should be appointed as directors in each of the Companies; and those who were appointed by him as directors – such as Mother, Chua and the Sisters themselves – took no part in the management

[99] [19]-[20] of Doreen's AEIC.

of the Companies, which remained wholly under Father's purview.[100] Thus for example, although Julie was appointed a director of YP by Father, she never attended any directors' meeting while Father was alive.

70 According to Doreen and Julie, therefore, the Companies were not started nor built up by Father on the basis of a relationship of mutual trust and confidence between him and Mother and/or the Sisters. The Sisters acquired the shares in the Companies as part of their inheritance pursuant to Father's will; and it was critical to note that Father's will said nothing about each of the Sisters being thereby entitled to participate in the management of the Companies.

The Sisters' appointment as directors of the Companies

71 As to why and how the Sisters came to be directors of the Companies, Doreen and Julie testified that this was really a "decision made out of convenience" at a time when the Sisters were "scrambling" to sort out Father's estate in their capacity as executors of the estate.[101] The preponderance of the Sisters' interest in his estate derived from the shares in the Companies which they had inherited; and following Father's passing, the affairs of the Companies were "in disarray". The then remaining directors – Mother and Chua – were not able to run the Companies; and the auditor had observed that "there was no working director in CCM", which provided management services to the other three companies. On 17 June 2003, therefore, the Sisters appointed themselves as directors of the Companies (insofar as each was not already a director of one or other of the Companies).

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100 [62]-[69] of Julie's AEIC.

101 [81]-[85] of Julie's AEIC.

72 At the time of appointment, none of the Sisters gave much thought to their "entitlements or roles". In fact, as between them, there were varying levels of involvement in the management of the Companies.[102] At the beginning, only Julie joined CCM fulltime as a working director. Julie's evidence was that she could not manage things alone and that Alan agreed to "relocate" to CCM's office to help her with her job. Alan ended up renting a room in the office from 2003 to 2011, and "[lending] his business experience and acumen to CCM's operations on an ad hoc basis" – a fact which Blossom and Ivy were always aware of and raised no objections to.

73 In 2004, as Julie was expecting another child, Doreen resigned from her academic position at National University of Singapore ("NUS") to join CCM fulltime as its second working director. Neither Blossom nor Ivy was interested in becoming a working director at that juncture. Blossom was content to take no part in the management of the Companies and to focus instead on her job at Hewlett-Packard. Ivy was then living in Malaysia; and although she agreed to help oversee CCH's Malaysian properties, the actual management of these properties was conducted by third party local representatives in Malaysia, with any administrative work being done back in the office in Singapore.

74 In or around May 2009, Julie had thoughts of resigning her directorships.[103] There was some discussion as to potential options for moving ahead: whether, for example, they should employ a professional manager, or perhaps sell off all the properties and wind up the Companies.[104] In the end,

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102 [86]-[88] of Julie's AEIC.

103 [61] of Doreen's AEIC.

104 Tab 13 of exhibit JT-1 of Julie's affidavit.

Julie did not resign – but in early 2010, she decided to go on a leave of absence. As the sole working director in CCM at that point, Doreen became concerned that she would be unable to manage things by herself. She therefore invited Blossom to join her in working in CCM. Blossom was initially reluctant to do so but eventually agreed; and Doreen suggested that she look after the administrative and personnel matters in CCM.[105]

Doreen's and Julie's perspective on the "strained" relationship between the Sisters

75 In August 2010, Julie returned from her leave of absence to resume her previous role as a working director in CCM. Doreen and Julie did not dispute that the relationship between them and Blossom – and the relationship between them and Ivy – became increasingly strained from around this time onwards. They attributed the cause to Blossom's and Ivy's behaviour. In particular, both of them decried what they perceived as Blossom's "high-handed approach in relation to the business and staff in CCM".[106]

76 Thus for example, whereas Blossom had charged that Julie refused without reason to co-sign cheques, Julie explained that it was Blossom who took it upon herself to "arbitrarily pick and choose which director to pass the cheque(s) to for signing", even to the extent of getting Mother to co-sign cheques for CCM's salaries and professional fees when Mother was not involved in CCM's operations. Blossom would also get the staff to pass Julie cheques to co-sign. According to Julie, there were occasions when as a matter of prudence, she needed to seek clarification about the payments before signing

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105 [62]-[64] of Doreen's AEIC.

106 [65]-[66] of Doreen's AEIC; [103] of Julie's AEIC.

the cheques – and yet when she tried to raise questions about certain cheques at a meeting, Blossom had simply stormed out of the meeting.[107]

77 Not only did Doreen and Julie take exception to Blossom's "high-handed approach", they also objected to the manner in which she sought to drag Mother into the fray. By 2010, Mother was nearly 80 years old and had advanced-stage breast cancer as well as mobility issues – and yet Blossom would insist on getting Mother to come to the office on occasions when the Sisters were due to discuss company matters.[108] Doreen and Julie believed that Blossom was seeking to use Mother as a mean of pressuring them into giving in to her wishes.

78 One example was the incident arising from Julie's use of a room in the office.[109] This was the room which Alan had previously rented: when he ceased renting the room in 2011, Julie decided to use it as her working space. This drew the ire of Blossom and Ivy, which in turn led to Mother approaching Julie to ask her to give up the room so that Blossom and Ivy could turn it into a "meeting room for general usage". Eventually, it was decided that an area in the open office would be partitioned off to create both a meeting room and a room for Julie – but although the matter seemed to have been resolved, tension between the Sisters continued to simmer.

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107 [113]-[115] and Tab 17 of exhibit JT-1 of Julie's AEIC.

108 [118]-[123] of Julie's AEIC.

109 [124]-[131] of Julie's AEIC.

The sale of the JB Properties

79 As with Blossom and Ivy, so too with Doreen and Julie, the sale of the JB Properties and the abortive sale of the Melaka Properties were two key flashpoints.

80 In respect of the JB Properties, Julie testified that as early as August 2013, she had expressed her interest in buying these properties in order to have something to remember Father by. At that juncture, Ivy had informed the other Sisters that the properties' valuation price was RM 2.3 million: Ivy, Blossom and Doreen had no objections to Julie buying the Properties at the valuation price.[110] Subsequently, however, Ivy changed her position several times, first claiming there was a third party offer of RM 2.6 million; then declaring that she would consider any offer of RM 2.7 million or higher; and then asking Julie to match the price of RM 2.7 million. According to Julie, Ivy's actions were supported by Blossom.

81 In a meeting with Blossom and Ivy on 21 October 2013, Julie sought to remind them that they had previously agreed on selling her the JB Properties for RM 2.3 million. They insisted, however, that they wanted a price in the range of RM 2.5 million to 2.7 million. An angry Ivy even sent an email the following day, complaining that her "authority and capability" in managing the Malaysian property sales had been "questioned and undermined".[111] Ivy's email proclaimed that she was "tendering [her] resignation as Director of [CCH] and that her last day would be when the JB

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110 [142]-[144] and Tab 22 of exhibit JT-1 of Julie's AEIC.

111 Tab 34 of exhibit JT-1 of Julie's AEIC.

Properties and two other KL properties had been sold. Worried that Ivy might drag Mother into the fray, Julie caved in to their demands and agreed to pay RM 2.7 million.

82 Even then, the drama did not end there. On 22 October 2013, a letter of offer[112] was signed by Julie and Ivy which alluded to the possibility of the option to purchase being granted to Julie and/or Alan. This drew objections from Blossom, who claimed that Julie had deviated from her stated intention of buying the Properties "for sentimental sake, to have something to hold on to that belonged to [Father]".[113] Blossom refused to co-sign the sale and purchase agreement as CCH's representative; Doreen was then overseas; and Ivy threatened to "call off the sale" if no second signatory could be found.[114] Eventually, Doreen had to fly back from Australia and rush to Malaysia with Ivy so as to sign the agreement in time before new rules on capital gains tax kicked in.[115]

83 As far as Doreen and Julie were concerned, therefore, it was Blossom and Ivy who had behaved in an unreasonable and obstructive manner in the sale of the JB Properties.

The abortive sale of the Melaka Properties

84 As for the sale of the Melaka Properties, it was Doreen's evidence that she too had experienced the same fickle and unreasonable behaviour on the part

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112 Tab 29 of exhibit JT-1 of Julie's AEIC.

113 p 553 of Julie's AEIC.

114 p 556 of Julie's AEIC.

115 [42]-[43] of Ivy's AEIC.

of Blossom and Ivy. According to Doreen, Ivy had informed the other Sisters at a meeting in October 2013 that the valuation price of the Melaka Properties was RM 750,000. At that point, Doreen had expressed interest in buying the properties and Ivy had agreed to sell them to her at the valuation price.

85 On 3 November 2013, Doreen emailed Ivy to confirm her readiness to proceed with the purchase. Being apprehensive about a possible repeat of Julie's unhappy experience with the purchase of the JB Properties, Doreen requested confirmation of the sale price and other terms and conditions. Her worst fears were realised when in December 2013, Ivy informed her that the sale price had changed to RM 1.025 million, based on the average of two alleged valuations obtained subsequent to October 2013. Doreen was upset – and incredulous, especially since there "were no contemporaneous sale transactions in the vicinity of [the Melaka Properties] to justify the hefty increase in the sale price to RM 1.025 million in the space of about a month".[116] Doreen told Ivy that she was prepared to pay only 10% more than the RM 750,000 figure – but Ivy was unmoved, claiming that Melaka property prices had risen "by leaps and bounds".[117]

86 On 24 December 2013, Ivy and Blossom sent out separate emails.[118] In her email, Ivy lamented that she had been accused of not exercising due diligence and announced that she would seek yet another valuation of the properties. This appeared to be supported by Blossom, who declared in her email that she would co-sign the sale and purchase agreement only if certain

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116 [99]-[101] of Doreen's AEIC.

117 [102] of Doreen's AEIC.

118 Tab 5 of Doreen's AEIC.

conditions set by her were complied with – including a requirement that there be "more than one set of valuations from which the selling price is based and referenced on [to] minimise the risk of being deemed 'biased'".

87 As Doreen did not wish to undergo the same ordeal that Julie had endured in purchasing the JB Properties, she informed them both that she no longer wished to be involved in the sale of the Melaka Properties, whether as a prospective purchaser or a CCH director.[119]

88 In May 2014, Ivy presented to the other Sisters a proposal to sell the Melaka Properties to one Pastor Francis for RM 1 million. She followed this up with an email on 18 August 2014 declaring that she would "presume" she had the "green light" to start the sale process if she did not receive any reply from the other Sisters.[120] Blossom replied to Ivy the following day saying she had "no issue with this sale transaction".[121]

89 Doreen, however, responded to point out to Ivy that proceeding with the sale without a directors' resolution would be "detrimental to the interests of all directors" and "[expose] the company to unnecessary risks".[122] According to Doreen, this was simply a reminder to Ivy that the directors' resolution of 16 August 2013 had given approval for CCH to dispose of the properties subject to the stipulation that a "separate Directors' Resolution be prepared and approved once the disposal has been agreed".[123] As far as Doreen was concerned, she had

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119 [106]-[108] of Doreen's AEIC.

120 p 72 of Doreen's AEIC.

121 p 73 of Doreen's AEIC.

122 p 72 of Doreen's AEIC.

123 pp 77-78 of Doreen's AEIC.

not objected to the sale of the Melaka Properties and found it "baffling" that the subsequent abortion of the sale should have been blamed on her purported "sudden and belated objection".[124]

Other events that led to unhappiness between the Sisters

90 In the wake of the events relating to the JB and the Melaka Properties, the tension between Blossom and Ivy on the one hand and Doreen and Julie on the other continued to fester. This unhappy state of affairs, according to Doreen and Julie, was due to Blossom's and Ivy's unreasonable behaviour. For example, Julie asserted that the decline in revenue from the RV Building over the years was wholly the doing of Blossom and Ivy. She noted that as the Council members of MCST 325, Blossom and Ivy had ignored her feedback on the deteriorating condition of the RV Building and refused to carry out repairs. This aggravated the already poor condition of the building. There were fewer and fewer units in good condition to be tenanted out – which led in turn to a decline in the revenue generated from the RV Building.[125]

91 Other matters which riled Doreen and Julie during this period included an incident which involved Blossom apparently removing CCH's cheque-book from the office without telling anyone;[126] Blossom's and Ivy's practice of circulating their own one-sided notes of various discussions in an attempt to pass these off as accurate summaries of the discussions;[127] and Blossom's "high-handed" practice of passing cheques to Doreen or Julie for signature without

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124 [114] of Doreen's AEIC.

125 [181]-[183] of Julie's AEIC.

126 [189]-[191] of Julie's AEIC.

127 [106]-[110] and Tab 16 of exhibit JT-1 of Julie's AEIC; [72]-[74] of Doreen's AEIC.

explaining the purpose(s) of the payment. Around the same period (2014), Blossom also decided arbitrarily to stop providing Doreen with monthly statements of CCH's / YP's / TBL's rental payments for their units in TBL Building. Doreen was told by Blossom that the CCM staff were busy with "other tasks" and that she should "check the physical book entries" instead for such information. This was a matter of concern to Doreen as she needed these statements to track various leases – and these statements had always been provided in the past.[128]

92 As for the proposal in late 2015 to re-designate Mother as a consultant, Doreen's and Julie's evidence was that they had made this proposal out of concern for Mother. By then Mother was nearing 80 years of age and suffering from advanced-stage cancer. Doreen and Julie denied that they and/or Alan had visited Mother in an attempt to persuade her to step down as director. Indeed, when Mother expressed a desire to continue as director, they respected her wishes, and she remained a director.

93 In this connection, Doreen and Julie denied that they had wanted to remove Mother as director because of any obstruction she posed to their supposed plans. In respect of her note of 2 October 2015[129] in which she had proposed having TBL managed "by the company itself" instead of by CCM, Doreen explained that she had made the proposal, *inter alia*, in the hope of reducing her interaction with Blossom and thus minimising the strain on their relationship. In the event, she had not carried out the proposal. According to Doreen, therefore, she had no reason to resent Mother. In fact, Doreen had not

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128 [115]-[120] of Doreen's AEIC.

129 Tab 8 of Doreen's AEIC.

even seen the handwritten notes by Mother (which stated that Mother had not authorised Doreen to make decisions on behalf of her sisters on company matters) until the notes were disclosed by Blossom during these proceedings. She did not know the context in which Mother had come to write these notes, but suspected that a third party might have assisted or guided Mother to do so.[130]

Doreen's intention to sell her shares to Julie in 2015 – and her extra TBL share

94 In early 2015, Doreen started thinking about retiring, as she was tired and in ill health. She wanted to sell her shares in the Companies and thought of offering the shares to Julie, as she knew that Julie could afford to pay for them whereas neither Blossom nor Ivy could. Julie, for her part, was open to buying the shares. However, when Doreen announced her intention to sell her shares to Julie at a meeting on 25 May 2015, she realised that Blossom and Ivy were "stunned" – and "probably unhappy". It was four days later that Doreen received Blossom's email claiming that she wished to discuss her alleged one-quarter interest in the extra TBL share.

95 Insofar as the sale of her shares was concerned, Doreen eventually decided to shelf her retirement plans. She did not end up selling her shares to Julie in the year 2015 – or in the ensuing years.

96 Insofar as the extra TBL share was concerned, Doreen asserted that the Sisters had been advised by their then solicitor – a Mr Cheong – that "the ownership of the Extra TBL shares could not be divided".[131] According to

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130 [131]-[134] of Doreen's AEIC.

131 [43]-[47] of Doreen's AEIC.

Doreen, the other three Sisters then agreed unanimously and unconditionally to let her have the extra share, on the ground that she was the eldest sibling.[132] The extra TBL share was registered in Doreen's name; and she had from the outset been its sole beneficial owner. When TBL paid dividends, she would always receive slightly more than the other three Sisters in terms of dividend pay-out: the other three Sisters were well aware of this; and none of them ever raised any objections.[133] Doreen was shocked, therefore, when she received Blossom's email asking to discuss her alleged one-quarter interest in the extra TBL share. As she deduced that Blossom's behaviour was driven by her feeling "threatened by the possibility" of Julie becoming the majority shareholder, she "saw no need to engage Blossom in discussions about the extra TBL share.[134] Unfortunately, the saga of the TBL shares did not end there: nearly a year later, on 4 May 2016, both Blossom and Ivy wrote to Doreen, each demanding the return of her alleged one-quarter interest in the extra share. Although Doreen responded to them on 16 May 2016 to refute their allegations, Blossom's and Ivy's allegations regarding the extra TBL added to the acrimony between the Sisters and constituted one of the contentious issues in subsequent negotiations.

The events following Mother's death

97 On 27 June 2016, Mother passed away. The date of her sea burial – 30 June 2016 – coincided with the date of the Companies' AGMs. On that day, following the burial, Doreen informed the other family members that she was exhausted and intended to return to Australia. When Blossom and Ivy inquired about the AGMs, Doreen replied that she would be selling her shares to Julie

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132 [46] of Doreen's AEIC

133 [48]-[49] of Doreen's AEIC.

134 [51]-[54] of Doreen's AEIC.

and that they should discuss the way forward with Julie. This did not go down well with Blossom and Ivy; and "an emotional exchange of words erupted".[135] Alan then suggested that a separate meeting be held to discuss the matter.

98 In the meantime, having indicated to her siblings that she did not intend to visit Singapore often after returning to Australia, Doreen decided to give a POA to Alan to conduct company matters on her behalf.[136] To Doreen, Alan was a "natural choice" because she trusted him, and he had previously already been assisting Julie in the office after Father's death. Accordingly, on 1 July 2016, she went to the CCM office together with Julie and Alan, to explain to the staff that she would be giving her POA to Alan and to reassure them that they need not worry in her absence as Alan would be around to help.

99 Doreen's POA to Alan was issued on 8 July 2016. In a private conversation, Doreen also told Alan that if any "major issue" arose concerning the Companies, he "could take care of it for her".

100 For his part, Alan met with Blossom and Ivy on 7 July 2016 and 23 July 2016 to discuss options for the Sisters to move forward.[137] Julie attended the first meeting but not the second. Blossom's husband Vincent attended both meetings. It will be remembered that Blossom and Ivy had alleged that it was Alan who was actively pushing for an *en bloc* sale of the Properties at the meetings. Alan had a different account of the two meetings. According to Alan, at the first meeting, Blossom had once again put forward the proposal for a share

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135 [139] of Doreen's AEIC.

136 [140]-[143] of Doreen's AEIC.

137 [46]-[53] of Alan Tang's AEIC.

swap among the Sisters, whereas Ivy had proposed the sale of the RV Building. No agreement was reached at this first meeting. Nor was any agreement reached at the second meeting, as Blossom continued to press for a share swap and Ivy for the sale of the RV Building. Vincent suggested that Alan could proceed with the share swap on Doreen's behalf since he held her POA, and Blossom agreed with his suggestion. When Alan replied that it would not be correct for him to proceed with a share swap without consulting Doreen, Blossom left the meeting in a huff.

101 On 28 July 2016, less than a week after the second meeting, the company secretary Jenny Tang resigned. On the same day, Blossom tendered her resignation as "an employee" of CCM "with immediate effect", whilst Ivy too wrote to the other Sisters announcing her "retirement" from "involvement in the Singapore operations". This spate of resignations, all on the same day, meant that the AGMs could no longer be held on the rescheduled date of 29 July 2016. Doreen and Julie believed that Blossom and Ivy had "engineered" this train of events with the intention of creating "more trouble" and thereby getting their own way. According to Doreen and Julie, it was no coincidence that Jenny Tang was employed by a company called Comwell which was "owned or controlled" by Blossom's brother-in-law.[138]

102 Doreen's and Julie's belief that the above resignations had been "engineered" so as to pressure them into caving in to Blossom's and Ivy's demands was fortified by the latter two's unreasonable behaviour following their resignations. This included what Doreen and Julie described as their "high-handed" treatment of the staff – including, for example, an ugly incident

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138 [217]-[218] and Tab 40 of exhibit JT-1 of Julie's AEIC.

in August 2016 in which Blossom had gotten the elderly Chua to accept two packages without any explanation and had also procured his signature on "the bottom of a rolled-up document", but then rejected his request for a copy of whatever he had signed as well as his attempt to return the packages.[139] There were further complaints lodged by other staff of the manner in which they were treated by Blossom and Ivy.[140] It was also around this time (August 2016) that Blossom notified the other Sisters of "multiple conditions" which she wanted complied with if she were asked to co-sign any cheques.[141] These conditions even included a requirement that the co-signatory should sign "respectfully" – a requirement which was revealed at trial to be prompted by Blossom's anger at Julie having signed on top of her signature on previous occasions.

Blossom's non-re-election as a director of TBL

103 In light of the numerous incidents involving Blossom and the irresponsibility she had displayed in abruptly resigning from CCM on 28 July 2016, Doreen and Julie concluded that she had "often overstepped her duties and boundaries as a director". At the TBL AGM on 27 September 2016, when Blossom as retiring TBL director was up for re-election, Doreen and Julie took the position that it was in the "best interests of TBL" not to re-elect her. As such, they refused to vote for her re-election.

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139 [226]-[232] of Julie's AEIC.

140 [235]-[238] of Julie's AEIC.

141 Tab 44 of exhibit JT-1 of Julie's AEIC.

Julie's salary increase

104 Among the various examples of Blossom's and Ivy's attempts to create "trouble", the matters which appeared to draw the most antagonism from them were the increase in Julie's salary from CCM; Alan's involvement in the Companies; and the question of remedial works and repairs at the RV Building.

105 As to the former, Doreen and Julie asserted that the increase in Julie's monthly gross salary from $2,020 to $6,000 was reasonable, given that her salary had not changed since 2011. More importantly, Julie had needed to handle nearly the entire workload in CCM after Blossom's and Ivy's abrupt departure in July 2016, as Doreen was then back in Australia. Doreen and Julie were of the view that as the only two working directors in CCM following Blossom's and Ivy's departure, they were empowered to decide on matters of salary adjustments without seeking the other two's permission. When it transpired, however, that Blossom and Ivy were using their opposition to the salary increase as the excuse for refusing to approve CCM's audited accounts, Doreen proposed in early September 2017 that Blossom could return to CCM as a working director while she and Julie would leave their positions to "pave the way".[142] The offer was not taken up.

Alan's involvement in the Companies

106 As to Alan's involvement in the Companies, Doreen's and Julie's evidence was that Alan had already been assisting Julie with her work in the CCM office for years after Father's death; and that not only were Blossom and Ivy aware of this, they had never raised any objections. After Blossom's and

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142 Tab 51 of exhibit JT-1 of Julie's AEIC.

Ivy's sudden departures in July 2016, Alan had stepped in again to help Julie in the office, and he had done so without remuneration for nearly half a year. It was only in February 2017 that Doreen and Julie decided to put things on a formal footing by having CCM enter into a contract with Alan's company Goodstar for the provision of management consultancy services.[143] Pursuant to this contract, Alan "attended at the office and gave instructions to CCM's staff in his capacity as a Management Consultant / Advisor". Goodstar was paid $4,280 monthly for Alan's services to CCM. Doreen and Julie found Alan's assistance to be beneficial to the Companies: in their view, Blossom and Ivy were simply raising spurious objections when they insinuated that he could not be trusted with the Companies' "confidential information".[144]

The RV Building

107 As for the RV Building, it will be remembered that in August 2017, MCST 325 had been ordered by the BCA to carry out remedial works in respect of numerous defects – including spalling concrete. Julie contended that for years she had pointed out the poor condition of the building to Blossom and Ivy – the MCST Council members – but that the latter two had ignored her feedback. At one stage, Blossom had even engaged an unlicensed contractor (a "Mr Kam") to repair the spalling concreate – a job which Mr Kam was unqualified to do – and had insisted that an elderly female CCM staff supervise him despite Alan offering to do so.[145]

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143 Tab 59 of exhibit JT-1 of Julie's AEIC.

144 [271] and Tab 60 of exhibit JT-1 of Julie's AEIC.

145 [235]-[238] of Julie's AEIC.

108 While Blossom and Doreen insisted that these remedial works were completed by December 2018,[146] Doreen and Julie testified that MCST 325 had actually misrepresented to the BCA the number of units in need of such remedial works: 18 units in need of repairs had not been reported to the BCA. The BCA was informed of this state of affairs by Doreen and Julie; and as at April 2019, the BCA was still chasing MCST 325 for an update on the completion of remedial works in the hitherto unreported units.[147]

109 As for the repairs to the individual units inside the RV Building, Julie explained that these were necessary – indeed, inevitable, given the age and the deteriorating condition of the building. The need for the BCA-directed remedial works as well as the repairs to the individual units was the reason why subsequently, leases in the building were renewed on 6-month terms: these shorter leases ensured the safety of tenants by allowing Doreen and Julie to arrange for tenants to vacate the units in time for the extensive works to be conducted.[148] As repairs to the units were completed, these units would be rented out, and CCH and YP would resume receiving rental revenue. Indeed, at the time of filing of the AEICs in May 2019, CCM was already marketing the RV Building to potential tenants.[149]

110 In connection with the remedial and repairs works at the RV Building, Julie also gave evidence that sometime in 2014 or 2015, Doreen had suggested that CCH and YP – as the registered proprietors of all the units in the building

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146 [225] of Blossom's AEIC.

147 Tab 5 of Julie's AEIC.

148 [267] of Julie's AEIC.

149 Tab 61 of exhibit JT-1 of Julie's AEIC.

– should set aside funds in anticipation of contingencies such as repairs. It was Julie's evidence that all the other Sisters had raised no objections to Doreen's suggestion; and that was why CCH and YP had not been issuing dividends since then. As a matter of fact, the repairs to the individual units in the RV Building were paid for from the funds set aside.

MCST 325 and its managing agent

111 In relation to the RV Building and MCST 325, it will also be remembered that CCM's services as the MCST's managing agent were terminated in April 2017. Whilst Blossom and Ivy blamed Doreen and Julie for the termination of CCM's services, Doreen and Julie had a different explanation. They pointed out that CCM's service agreement had no fixed term or expiry date: what was required was for MCST 325 to re-appoint CCM as managing agent at its AGM. On 7 April 2017, however, MCST 325 wrote to CCM demanding a copy of its service agreement for the "re-appointment of [CCM] as managing agent" – and stipulating that if no written reply was received by noon on 11 April 2017, the MCST "shall conclude" that CCM wished to "terminate [its] service". Given the absence of any fixed term in the service agreement and given that CCM's re-appointment had always been done without MCST 325 requiring any documentation from it, Doreen and Julie were somewhat bemused and did not respond. They were taken aback when on 21 April 2017, MCST 325 wrote to them to say that in view of the "no-reply", it had concluded that CCM had "decided to terminate [its] contract…as managing agent for [the MCST], effective from 1st May 2017".[150] Clearly therefore,

150 [257] of Julie's AEIC.

according to Doreen and Julie, the termination was something unilaterally brought about by Blossom and Ivy as the MCST Council members.

Doreen's and Julie's response to Blossom's and Ivy's allegations about being "trapped" in the Companies

112 It will be plain from the foregoing narrative that Doreen and Julie refuted Blossom's and Ivy's allegations about being "trapped" in the Companies and about the management of the Companies being deadlocked. First of all, they pointed out that all four Companies were going concerns which had continued to operate successfully and to generate revenue despite the unhappy state of the relationship between the Sisters.[151]

113 Doreen and Julie also disputed Blossom's and Ivy's case on being "trapped" in the Companies. Insofar as a share swap was concerned, they noted that there had never been any agreement entered into between the Sisters – so it could not be said that they had "reneged" on a share swap. In any event, a share swap was not a viable option because whilst Blossom favoured a share swap, such an option would have required Doreen and Julie to set aside their respective wishes: out of a desire to have something to remember Father by, Doreen wanted to keep the TBL Building and Julie wanted to keep the RV Building.[152]

114 Putting aside the suggestion of a share swap, according to Doreen and Julie, they did have "genuine intentions to consider a buyout" of Blossom's and Ivy's shares in the Companies and had in good faith engaged in negotiations to that effect. Their evidence was that at the meeting on 10 February 2017,

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151 [275]-[278] of Julie's AEIC.

152 [288]-[289] of Julie's AEIC.

Blossom and Ivy had indicated their willingness to sell their shares in CCH and YP – *not all their shares*. They had also indicated their willingness to sell at the valuation price stated in the 2016 Valuation Reports ("the Valuation Price"). At that juncture, Doreen and Julie had verbally indicated their willingness to buy the CCH and YP shares; and in addition, Doreen had stated that Blossom and Ivy could also sell to third parties. This was followed by their email letter of 14 March 2017, which reiterated their readiness to buy the shares in CCH and TP and also reminded Blossom and Ivy that they could "sell to other parties".[153] However, instead of proceeding with the sale of their shares, Blossom and Ivy responded with specious allegations about the 14 March 2017 letter, claiming *inter alia* that its authenticity was suspect, that there had been "a misuse of the company's resources" (apparently a reference to the fact that the letter had been sent from a CCM corporate email account), and that it would have to be "investigated".[154]

115 It was Doreen's and Julie's case that Blossom's and Ivy's behaviour following their letter of 14 March 2017 betrayed their true agenda: once they had obtained a measure of agreement to their position, they would "shift the goal posts", using all sorts of excuses to push for ever greater concessions.[155] On 30 June 2017, they indicated that they were prepared to sell *all their shares in the four Companies* – but uncertainty continued to reign, since Ivy now said she would no longer sell at the Valuation Price whilst Blossom apparently remained open to selling at that price.[156] Although Doreen invited both of them

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153 Tab 64 of exhibit JT-1 of Julie's AEIC.

154 Tab 65 of exhibit JT-1 of Julie's AEIC.

155 [297] of Julie's AEIC.

156 [298] of Julie's AEIC.

to write and state their positions, no clarity ensued because Blossom and Ivy refused to state the price at which they wished to sell, insisting instead that Doreen and Julie should name the price at which they were prepared to buy.[157] Although in subsequent negotiations the parties were able to agree to the Valuation Price as the sale and purchase price, Blossom and Ivy put forward other unreasonable demands – for example, a demand that completion of the entire sale and purchase transaction must be completed within 3 months, despite being aware that Doreen and Julie would have to stump up more than $63 million.[158] In the latter's view, therefore, Blossom's and Ivy's failure to exit from the Companies was entirely of their own making.

The issues in contention

116 In their Statement of Claim, Blossom and Ivy pleaded for the winding-up of the Companies pursuant to s 254(1)(*i*) CA; alternatively, for an order under s 254(2A) CA that there be a buy-out of all their shares in the Companies by Doreen and Julie, "on terms to the satisfaction of the Court".[159]

117 In my view, having regard to the manner in which the two sides pleaded their respective cases, the issues in contention were as follows:

(a) Whether the Companies were a quasi-partnership or akin to a quasi-partnership, run on a relationship of mutual trust and confidence between the Sisters;

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157 Tab 66 of exhibit JT-1 of Julie's AEIC.

158 [309]-[312] of Julie's AEIC.

159 [61] of the Statement of Claim at p 90 of the Setting Down Bundle.

(b) Whether this relationship between the Sisters had irretrievably broken down;

(c) Whether the management of the Companies was deadlocked;

(d) Whether Blossom and Ivy were trapped in the Companies; and

(e) Whether it would be just and equitable in the circumstances to wind up the Companies.

118 Clearly these issues were intertwined: the proposition that the Companies were a quasi-partnership or akin to one, for example, was fundamental to Blossom's and Ivy's argument about the breakdown of the "mutual trust and confidence" upon which the Sisters had allegedly come together to run the Companies. I will address each of these issues in turn and explain my reasons for finding against Blossom and Ivy on these issues.

119 I start first with a summary of the applicable legal principles.

The applicable legal principles

When the members of a company will be subject to equitable constraints on the exercise of their legal rights

120 The key legal principles governing the "just and equitable" jurisdiction under s 254(1)(*i*) CA were laid down comprehensively by the Court of Appeal ("CoA") in *Sim Yong Kim v Evenstar Investments Pte Ltd* [2006] 3 SLR(R) 827 ("*Sim Yong Kim*"). This was a case in which the petitioner – one of the two shareholders and directors of the company Evenstar Investments Pte Ltd ("Evenstar") – brought an application for its winding-up under s 254(1)(*i*) CA. The CoA noted that the House of Lords – and in particular, Lord Wilberforce – had in *Ebrahimi v Westbourne Galleries Ltd* [1973] AC 360 ("*Ebrahimi*")

given context to the concept of "just and equitable" in the former s 221(1) of the Companies Act 1948 (c 38) (UK) (presently s 122(1)(*g*) of the Insolvency Act 1986 (c 45) (UK), which is the equivalent of our s 254(1)(*i*) CA); and that Singapore courts have followed *Ebrahimi* in s 254(1)(*i*) cases. The CoA noted in particular (at [29]) the following seminal passages from Lord Wilberforce's judgement, in which he considered the circumstances in which the "just and equitable" provision would be invoked in order for equitable considerations to be superimposed on the exercise of legal rights by shareholders in a company (at 379–380):

> The words [just and equitable] are a requirement of the fact that a limited company is more than a mere legal entity, with a personality in law of its own: that there is room in company law for recognition of the fact that behind it, or amongst it, there are individuals with rights, expectations and obligations *inter se* which are not necessarily submerged in the company structure … The "just and equitable" provision does not … entitle a party to disregard the obligation he assumes by entering a company, nor the court to dispense him from it. It does, as equity always does, enable the court to subject the exercise of legal rights to equitable considerations, that is, of a personal character arising between the individual and another, which may make it unjust, or inequitable, to insist on legal rights, or to exercise them in a particular way.

> It would be impossible, and wholly undesirable, to define the circumstances in which these considerations may arise. Certainly, the fact that a company is a small one, or a private company, is not enough … *The superimposition of equitable considerations requires something more, which typically may include one, or probably more, of the following elements: (i) an association formed or continued on the basis of a personal relationship involving mutual confidence – this element will often be found where a pre-existing partnership has been converted into a limited company; (ii) an agreement, or understanding, that all, or some (for there may be 'sleeping partners') of the shareholders shall participate in the conduct of the business; (iii) restriction upon the transfer of the members' interest in the company – so that if confidence is lost, or one member is removed from management, he cannot take out his stake and go elsewhere.*
>
> It is these, and analogous factors, which may bring into play the just and equitable clause, and they do so directly, through the force of the words themselves. To refer, as so many of the cases do, to "quasi-partnership" or "in substance partnerships" may be convenient but may also be confusing. It may be convenient because it is the law of partnership which has developed the conceptions of probity, good faith and mutual confidence, and the remedies where these are absent, which become relevant once such factors as I have mentioned are found to exist: the words "just and equitable" sums these up in the law of partnership itself. And in many, but not necessarily all cases there has been a pre-existing partnership the obligations of which it is reasonable to suppose continue to underlie the new company structure. But the expressions may be confusing if they obscure, or deny, the fact that the parties (possibly former partners) are now co-members in a company who have accepted in law, new obligations. A company, however small, however domestic, is a company not a partnership or even a quasi-partnership and it is through the just and equitable clause that obligations, common to partnership relations, may come in.
>
> [emphasis added]

The notion of unfairness at the heart of the "just and equitable" jurisdiction

121 In *Sim Yong Kim*, the CoA pointed out that the exercise of the courts' jurisdiction to superimpose equitable considerations pursuant to s 254(1)(*i*) was not limited to the three circumstances mentioned by Lord Wilberforce in his judgement. Rather, the broad underlying principle was that (at [31]) –

> … the notion of unfairness lies at the heart of the "just and equitable jurisdiction in s 254(1)(i) of the CA … [T]he section does not allow a member to "exit at will", as is plain from its express terms. Nor does it apply to a case where the loss of trust and confidence in the other members is self-induced. It cannot be just and equitable to wind up a company just because a minority shareholder feels aggrieved or wishes to exit at will. However, unfairness can arise in different situations and from different kinds of conduct in different circumstances. Cases involving management deadlock or loss of mutual trust and confidence where the "just and equitable" jurisdiction under s 254(1)(*i*) has been successfully invoked can be re-characterised as cases of unfairness, whether arising from broken promises or disregard for the interests of the minority shareholder.

122 The facts of *Sim Yong Kim* provide a useful illustration of how the courts look at the issue of unfairness in the context of an individual case. In *Sim Yong Kim*, the petitioner and his older brother Mike were the only shareholders and directors of Evenstar, with the plaintiff holding 13.5 % of the shares and Mike holding 86.5%. The petitioner had agreed to Mike's suggestion that Evenstar be used as the corporate vehicle for them to pool their shares in another company ("Sinwa") which was subsequently listed. In the court's view, the brothers had entered into "what was substantially a quasi-partnership using the company [Evenstar] merely as a vehicle for an agreed object": the brothers' partnership in Evenstar was "premised throughout on the fundamental understanding that their association would only continue as long as the petitioner was a willing party" (at [43]). The evidence showed that Mike had assured the petitioner he could exit from Evenstar by pulling out his Sinwa shares whenever he wanted, provided Mike was given the right of first refusal on these shares; further, that Mike had breached this assurance to the petitioner by, *inter alia*, refusing the petitioner's request to pull out his Sinwa shares and offering an unfair and unreasonable price for the latter's Evenstar shares. In granting the petitioner's application for the winding-up of Evenstar, the court made it clear that the mutual trust and confidence between the brothers that was necessary to run the

business of Evenstar had not broken down: any distrust or loss of confidence by the petitioner in Mike did not stem from the way Mike was managing the affairs of Evenstar. Instead, the unfairness in this case flowed from Mike's breach of his promise to let the petitioner pull out from Evenstar: it had "left the petitioner trapped in Evenstar and placed him at the mercy of Mike" (at [42]). While Mike's promise was not enforceable as a contract for lack of essential terms, that did not mean that as a matter of justice and equity, the court could not give effect to it on terms that were just and equitable to the petitioner, or for that matter to both brothers, if this was called for. In the event, the court made a winding-up order as sought by the petitioner, but subject to a number of conditions aimed at allowing the parties time to try to settle their dispute before the winding-up order took effect.

Whether a family company may be akin to a quasi-partnership and attract the superimposition of equitable considerations

123 Some two years after its decision in *Sim Yong Kim*, the CoA provided further guidance in *Chow Kwok Chuen v Chow Kwok Chi and another* [2008] 4 SLR(R) 362 ("*Chow Kwok Chuen*") on the exercise of the "just and equitable" jurisdiction under s 254(1)(*i*) CA. In that case, the appellant ("Chi") had brought applications to wind up the companies set up by his late father, in which he and his two brothers "Chuen" and "Ching" were the shareholders and directors. The High Court granted the winding-up applications, and the CoA upheld the High Court's decision, citing in its judgement the following reasons. Firstly, the CA found that this was "a case of real deadlock amongst the three brother-directors". Whereas previously at least Chi and Chuen had been able to agree on most key decisions in the running of the companies (even if it meant Ching was often left out in the cold), by the time of the winding-up proceedings,

it was clear that even the relationship between Chi and Chuen had deteriorated badly into "total mistrust". As the CoA put it (at [22]):

> [N]o decision could be made because any proposal by one brother would be shot down by the other two. This is a case of a three-way impasse. The Companies are just limping along with the three employees managing the daily affairs with no leadership provided from the board of directors. Accordingly … there is a case of real deadlock amongst the three brother-directors. The management of the Companies is at a stalemate.

124 Having found deadlock amongst the three brothers, the CoA noted that existing case law appeared to suggest that where a company is not in substance an incorporated partnership, such matters as a deadlock – or more generally, members' inability to work in association with one another – "may not be relied upon as a ground for winding up, as the rationale for allowing a winding up on such grounds would be absent" (at [24]). The CoA also noted, however, that Lord Wilberforce in *Ebrahimi* did not rule that the "just and equitable" analysis was only to be applied in situations of quasi-partnership. On a review of other case law, the CoA concluded that in certain circumstances, family companies could be considered akin to quasi-partnerships (at [31]), stating as follows:

> We have at [19] above pointed out that a person who joins a company should accept and work within the framework set out in its memorandum and articles of association. The reason an incorporated partnership is treated somewhat differently is because of the express or implicit understanding among the partners before incorporation as to how the new company is to be run or managed and equity will not allow a person who is a party to that understanding to renege on that understanding. Compare that situation with that of a company formed by a patriarch for his family: it would be clearly the expectation of the patriarch that the children would co-operate, work the company and make it grow for the common good of themselves and their descendants. When a child receives shares in such a company from the patriarch, either during the latter's lifetime or under his will, the child is not really entering into the company of his or her own free will. So the rationale alluded to at [19] above does not apply to such a scenario. Quite naturally he or she should aim to work harmoniously with his or her siblings in managing the company and in fulfilling the hopes of

> the patriarch, and in turn to prosper the company. Co-operation and mutual trust among sibling shareholder or directors are central to such a family company and their absence is as critical as in a quasi-partnership, and would accordingly warrant its winding up. Where such a company is in a deadlock because the siblings cannot see eye to eye, it is difficult to perceive why it is necessary to insist that unless a company is set up in the way which was done in *Yenidje* … and *Ebrahimi*, resort to the just and equitable jurisdiction of the court to order a winding up should not be available. Ultimately, whether equity should intervene in such situation must necessarily depend on the justice of the case. In a situation like the present, the unfairness comes in the sense that it would be unfair to insist that the siblings remain together in the company instead of allowing them to go their separate ways …

125 In *Chow Kwok Chuen*, the court found that there was ample evidence that the patriarch Mr Chow had intended the companies he set up to be family companies. In particular, he had made special provision in the articles of association of each company to ensure that his wishes of wealth distribution and management involvement for male descendants were achieved. For example, the articles of association of two of the companies expressly provided that all adult male descendants of Mr Chow were entitled to be appointed as directors of the companies. The three sons had direct shareholdings in the companies and also inherited substantial shares from Mr Chow. Their sister was not a director and had no direct shareholding in the companies, only holding an indirect interest *qua* beneficiary of part of their late mother's estate. The CA held (at [33]–[34]) that in the circumstances –

> *… the Companies may be considered akin to quasi-partnerships because of their private, domestic nature and the inherent assumption in the setting up of the Companies, that the shareholders and directors as descendants of the patriarch, would work in concert to grow the Companies, enhance the family fortune and perpetuate the legacy. Admittedly, not all family companies in the broader sense of the term would automatically be analogous to quasi-partnerships. Only where the family interest is closely related to the raison-d'etre of the company, will mutual trust and confidence be as important as in a quasi-partnership.* For example, if three siblings decided to

> incorporate a company to start manufacturing toys, their family relationship would be incidental to the business of the company, and the court would have to consider how the business was being run to see if there existed partnership-type obligations of mutual trust and confidence, in order to begin the inquiry of whether there were just and equitable grounds to wind it up. But where, as in the present case, the family interest is fundamental to the purpose of the company, then the inextricability of the family relations from the business relations amongst the directors may provide justification for equitable winding up of the company because in such a set-up mutual trust and confidence are paramount.
>
> Although the Companies were not quasi-partnerships, it was clear that mutual trust and confidence among the brothers was the cornerstone of the entire set-up… *[T]he Companies and their directors' relationships shared certain characteristics with quasi-partnerships: not only were the shares of the Companies closely held and not easily transferable to outside parties, and not only did the directors hold their positions due to ties of blood rather than to business acumen or commercial considerations, but the parties really had not on their own accord voluntarily on their own accord entered into legal relations with one another to promote some common business interest. Instead, they inherited or were endowed their shares and directorships by their parents, based on the latter's understanding or aspiration of furthering the family's interests cohesively…* [T]here is no dispute that the Companies were vehicles to accumulate wealth rather than profit-driven business ventures. All the directors and shareholders are members of the same family whom the late patriarch expected to get along and uphold the family name and legacy. Thus mutual trust and confidence were inherently essential to Mr Chow's objective in incorporating the Companies. Upon the breakdown of such mutual trust and confidence, the entire purpose of the Companies was destroyed, notwithstanding that the Companies' properties continued to yield rental income.
>
> [emphasis added]

126 In *Lim Kok Wah and others v Lim Boh Yong and others* [2015] 5 SLR 307 ("*Lim Kok Wah*"), the plaintiffs and the 1st and 2nd defendants were all brothers who held shares in two companies ("SSH" and "Kenson"). The remaining shares were held by other family members. All but one of the parties were directors of the two companies. From 2010 onwards, the relationship between the plaintiffs on the one hand and the 1st and 2nd defendants on the other

hand began to deteriorate: for example, there were steps taken by both sets of brothers to remove each other from the board of SSH. The proceedings involved *inter alia* a minority oppression action by the plaintiffs against the 1st and 2nd defendants seeking relief under s 216 of the CA from what they alleged was oppressive and unfairly prejudicial conduct of the defendants in SSH and Kenson.

127 In this connection, the CoA in *Sim Yong Kim* noted that the conduct falling within the courts' purview under s 216 CA was limited to specified categories whereas s 254(1)(*i*) was phrased more generally as requiring the existence of "just and equitable" grounds and not limited to any particular category of conduct; further, that the "just and equitable" and "oppressive" regimes under our CA each had their respective spheres of application. However, the CoA also took pains at the same time to highlight (at [37]) that it also recognised that "these two jurisdictions, though distinct, do in fact overlap in many situations since they are both predicated on the court's jurisdiction to remedy any form of unfair conduct against a minority shareholder. In this regard, although s 216 CA does not expressly adopt the "just and equitable" principle, the concept of unfairness is common to both sections". Although the plaintiffs in *Lim Kok Wah* were pursuing a minority oppression action under s 216, I found the High Court's reasoning pertinent and helpful in relation to the issue of when a company may be subject to equitable considerations. Referencing *Ebrahimi* (see the passages cited above at [120]), the court stated at [106]–[107]:[160]

> If the member [of a company] fails to show that equitable considerations are superimposed on the company, the measure of commercial unfairness is defined by the parties' legal rights

[160] [107]-[108]

> and their legitimate expectations derived from and enshrined in the company's constitution. But the situation is different if the member succeeds in showing that equitable considerations are superimposed on the company. The archetype of this, of course, is the quasi-partnership, i.e. a company within Lord Wilberforce's first category … In this special class of companies, an extended measure of unfairness will take into account otherwise unenforceable expectations which arise from the members' personal relationship of mutual confidence rather than from the company's constitution, and which expectations are not necessarily submerged in the company's structure…
>
> [G]reater scrutiny is needed in the case of quasi-partnerships because the members of closely held company based on a personal relationship of mutual trust and confidence are inevitably prepared to accept a great degree of informality in spelling out the fundamental understandings and expectations underlying their investment and are more vulnerable to being locked into that investment.

128 The High Court also noted (at [109]) that in *Chow Kwok Chuen*, the CoA had made it clear that family companies could share the characteristics of a quasi-partnership. In *Lim Kok Wah*, the plaintiffs argued that both the companies (SSH and Kenson) were quasi-partnerships or akin to quasi-partnerships; and that accordingly the court should look beyond the confines of the parties' strict legal rights and obligations and instead look for informal or implied understandings between the parties which give rise to legitimate expectations between them. *Inter alia*, the plaintiffs argued that they each had a legitimate expectation of participation in the management of each company.

129 The High Court found that while SSH and Kenson were no doubt "family companies" in the broad sense that all its members who were natural persons were members of a family, neither company was a quasi-partnership or a company akin to a quasi-partnership. There was thus no scope for the superimposition of equitable consideration. Instead, the measure of commercial unfairness would be defined by the parties' legal rights and their legitimate expectations derived from and enshrined in the companies' constitutions; and

against these measures, the court held that the plaintiffs had not been treated unfairly.

130 In coming to these conclusions, the court found the following facts relevant. Firstly, it was clear that "LKH" – who was the father of both plaintiffs and defendants and the founder of both companies - had run the companies as an autocratic patriarch. He decided whom to appoint as a director and decided when they should cease to be a director. Importantly, even though the parties were family members, their relationship in the two companies was not based on mutual trust and confidence between the members. Unlike the companies in *Chow Kwok Chuen*, LKH did not set up and run SSH and Kenson "with the inherent assumption … that the shareholders and directors, as descendants of the patriarch, would work in concert to grow the [companies], enhance the family fortune and perpetuate the legacy". On the contrary, LKH had an overriding say in both companies up till his death. All the parties accepted LKH's authority and his decisions unquestioningly. So while it was true that there existed in each company a bilateral relationship of mutual trust and confidence between LKH and each son, it was clear that there was no such relationship between each son and all the other sons. In particular, even as between each son and LKH during his lifetime, there was never any expectation or any basis for any expectation that each son would be involved in managing SSH or Kenson so long as he wished. In SSH, for example, only the 1st plaintiff ("LKW") and the 1st defendant ("LBY") had assisted LKH in managing the company during LKH's lifetime. After LKH's death, these two took over the management of SSH without objection; whereas the other parties were non-executive directors who did not participate, who did not expect to participate, and who did not ask to participate in the management of SSH.

131 It should be added that in an abundance of caution, the court went on to consider what the position would be if it were assumed that the parties' relationship as members of SSH and Kenson were personal relationships based on mutual trust and confidence, as a result of which they did not document the fundamental understandings and expectations underlying their investment in the companies. On the evidence before it, the court found that there was no implied or informal understanding between LKH's sons that they would each be entitled to participate in the management of the business of SSH or Kenson.

"Unfairness" in the context of a deadlock situation

132 In *Perennial (Capitol) Pte Ltd and another v Capitol Investment Holdings Pte Ltd and others* [2018] 1 SLR 763 ("*Perennial (Capitol)*"), the CoA also provided further guidance as to how the notion of unfairness would operate in a deadlock situation. In *Perennial (Capitol)*, the respondent companies were holding companies in which the appellants held 50% of the shares, with the other 50% being held by another company ("Chesham"). Relations between the appellant and Chesham deteriorated, resulting in a management deadlock. The respondent companies' articles of association contained a clause (clause 22) which stipulated that if any member wished to transfer his shares, the remaining members had a right of pre-emption, and the price of the shares was either to be agreed or (if disputed) to be the fair value as determined by the company auditor. The appellants were unwilling to invoke clause 22 and instead filed an application under s 254(1)(*i*) CA seeking to wind up the respondents, or alternatively, buy-out orders under s 254(2A).

133 The High Court dismissed the winding up application and also declined to make any order under s 254(2A). In dismissing the appellants' appeal, the CA made clear (at [45]) its agreement with the High Court's reasoning that

> … in situations of deadlock between the shareholders of a company, unfairness stems from the shareholders' inability to exit rather than the deadlock *per se*.

134 Citing its own decision in *Sim Yong Kim*, the CoA held that cases involving a deadlock between equal shareholders were the "most obvious example" of such inability to exit. It explained (at [49]) that –

> The inequity justifying a winding up in such a situation does not lie in the oppression or wrongful conduct of the other shareholder in the management of the company or the conduct of its affairs, but in the opposing shareholder's insistence on locking the applicant shareholder in the company despite the stalemate they have reached concerning the conduct of the company's business.

135 The CoA held that where the articles of association provided a mechanism for a disaffected shareholder to exit the company, this would usually negate the unfairness engendered by any deadlock, unless there were any extenuating circumstances (such as where the exit mechanism was arbitrary or artificial). Pertinently, the CoA also held (at [72]) that -

> Regardless of whether there is a pre-emption clause, an applicant will likely be precluded from bringing a winding up application if he has refused a reasonable offer to be bought out of the company at fair value.

136 The relevance of an existing option to exit was also emphasised by the High Court in *Poh Leong Soon v SL Hair & Beauty Slimming Centre Pte Ltd* [2018] SGHC 109 ("*Poh Leong Soon*"), where the court stressed (at [25]) that the "just and equitable" jurisdiction under s 254(1)(*i*) is a wide jurisdiction that

> … has to be exercised with caution, 'particularly where the making of such an order would have the effect of releasing the applicant from any obligation to comply with the scheme of things provided under the memorandum and articles of association … In fact, any unfairness lies in the inability to exit a company. Even in situations of impasse 'where the shareholder is being marginalised or shut out from

> management, or where there is a loss of trust and confidence, it is the notion of being locked into such a situation that if unfair' … Therefore the question is whether there is an option for the applicant to exit from its interests in the company at fair value. Indeed, the presence of a buyout mechanism in the company's constitution would be a vital consideration. An applicant who had not even attempted to invoke the buyout mechanism would be unlikely to establish the 'unfairness' necessary to invoke the court's just and equitable jurisdiction to wind up a company… That said, there could be situations in which unfairness would be established notwithstanding the presence of a buyout mechanism. This includes a situation where there is a 'defect in the valuation mechanism – i.e. it was arbitrary or artificial'…

137 In *Poh Leong Soon*, the court also noted (at [28]) that the test for ordering a winding up under s 254(1)(*i*) CA must be met before the remedy under s 254(2A) could be granted for the court to order a buy-out of the applicant's shares.

Where s 254(1)(i) is invoked in the case of a company that is a going concern

138 Finally, as the High Court in *Poh Leong Soon* observed (citing *Summit Co (S) Pte Ltd v Pacific Biosciences Pte Ltd* [2007] 1 SLR(R) 46), where the attempt to invoke s 254(1)(*i*) is made in the case of a company that is a going concern, the court may look to see if there is a motive behind the application. This is because where the company is a going concern and appears to be a viable business, there is no reason to believe that an aggrieved minority shareholder would want to wind up the company if his real relief can be satisfied in other ways (at [53]).

Applying the applicable legal principles to the facts of this case

Whether the Companies were quasi-partnerships or akin to quasi-partnerships

How the Companies were set up and run by Father

139 With the above legal principles in mind, I considered first the issue of whether the Companies were a quasi-partnership or akin to a quasi-partnership, run on a relationship of mutual trust and confidence between the Sisters. To recap, it was Blossom's and Ivy's case that they were. According to them, the Companies had been run as a "Family Business" by Father before being "passed down" to the Sisters after his death.[161] Since "at least 17 June 2003" (the date on which the Sisters were appointed as directors in the Companies) "[u]ntil recent years", the Sisters had, "as directors and shareholders of the Companies, associated with each other (and their Mother) in the conduct of the Family Business on the basis of the personal relationship that they had with each other". The Family Basis was thus run on the basis of a relationship of mutual trust and confidence between the Sisters. In particular, it was a common understanding between them that they would each be entitled to participate in management of the Companies. In the premises, the Companies were said to be "in effect a quasi-partnership between the Sisters", or "in any case managed as such by the Sisters since 17 June 2003 together with the Mother until recent events".[162]

140 Having examined the evidence before me, I rejected Blossom's and Ivy's contention that the Companies were a quasi-partnership or in effect managed as such. My reasons were as follows.

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161 [15] of the Statement of Claim.

162 [23]-[25] of the Statement of Claim.

141 To begin with, I should point out that it was never adequately explained by Blossom and Ivy exactly what they meant in describing the Companies as a "Family Business". From the manner in which they presented their case, it would seem they wanted to persuade me that in the first place, Father had incorporated and run the Companies as "family companies" and with the intention of using them to hold the Properties "for the family's benefit" – just like the patriarch in *Chow Kwok Chuen*.

142 Assuming this was their intention in describing the Companies as a "Family Business", I did not find that the evidence supported such a description of the manner in which Father had set up and run the Companies. In fact, it was clear to me that Father had run the Companies rather like LKH in *Lim Kok Wah* ran his companies: as an authoritarian – even autocratic – figure, who made all major decisions in the management of the Companies' business, and who had an overriding say in the Companies up till his death in 2003. Ivy, for example, admitted in cross-examination that the Companies were really set up by Father as the vehicles for holding his investment properties; and he could do whatever he wanted with the Companies.[163] It was not disputed that prior to Father's death, he was the major shareholder in the Companies, Mother was the minority shareholder, and none of the children had any shares in the Companies. It was also not disputed that there was no provision in any of the Companies' articles of association that only family members could hold shares in the Companies.

143 While Mother and the Sisters each held directorships in one or other of the Companies during Father's lifetime, so too did Chua; and while Blossom tried to insist that Father had "discussed" business matters with Mother, not

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163 See transcript of 2 August 2019 at p 151 line 22 to p 152 line 25.

even Blossom could claim that anyone else besides Father had been responsible for making decisions on behalf of the Companies.[164] There was certainly no evidence that Father had any expectation that the Sisters should be involved in managing the Companies' business. Indeed, Blossom and Ivy agreed that while Father was alive and running the Companies, they had accepted his authority unquestioningly.[165]

144 The contents of Father's will were also instructive. Although he had seven children (including two sons), Father bequeathed the shares in the Companies only to the four Sisters. This would appear contrary to any purported intention to have the Companies run as a "*Family Business*" [emphasis added] that would benefit successive generations. Father also did not see fit to specify in his will that the Sisters were to refrain from disposing of their shares to non-family members. Indeed, Father said nothing at all in his will about how the Companies were to be preserved – or for that matter, whether they were to be preserved at all. There were no provisions in his will for the Companies to be continued as a source of wealth accumulation and wealth distribution for successive generations. Nor did Father see fit to specify in his will that each of the four Sisters should have an equal say in the Companies and/or each of them should participate equally in managing the Companies. In fact, contrary to Blossom's and Ivy's assertion that the Sisters were "expected" after inheriting their shares to" manage the Companies together",[166] Father said nothing at all about the Sisters taking on the management of the Companies.

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164 See transcript of 30 July 2019 p 92 line 8 to p 93 line 6.

165 See transcript of 30 July 2019 at p 93 lines 7 to 14; 2 August 2019 at p 149 line 15 to p 150 line 14.

166 [46] of the Plaintiffs' Closing Submissions.

These omissions were telling because in crafting his will, Father had actually taken pains to specify that no son of his was to be appointed as an officer or employee or agent of any of his companies.

145 In short, therefore, the evidence as to how Father set up and managed the Companies showed a total lack of any "inherent assumption" that "the shareholders and directors, as descendants of the patriarch, would work in concert to grow the Companies, enhance the family fortune and perpetuate the legacy" ([33] of *Chow Kwok Chuen*).

Mother's role in the Companies

146 Part of Blossom's and Ivy's narrative about the Companies being run as a "Family Business" involved the allegedly active management role played by Mother. As mentioned earlier, Blossom alluded several times in her testimony to Father purportedly having consulted Mother about business decisions; and in the Statement of Claim, it was pleaded that after the Sisters appointed themselves as directors on 17 June 2003, they "came together and began to run the Family Business jointly, together with the Mother".[167]

147 On the evidence before me, I did not find this assertion about Mother's role to be made out. Although in cross-examination Blossom claimed that Mother would go into the office "in [Father's] absence" (during his lifetime) and that she would sign company cheques, she conceded that it was possible Mother had signed such cheques only because Father had already signed them.[168] As I explained earlier, I found the evidence showed that Father ran the

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167 [19] of the Statement of Claim.

168 See transcript of 30 July 2019 p 138 line 14 to p 139 line 7.

Companies and made the decisions as to the Companies' affairs: neither Mother nor any of the Sisters participated in the management of the Companies during his lifetime; and there was no evidence to show that after his death, Mother suddenly took on an active management role in the Companies. Perhaps most revealing was the fact that after Father's death, Mother had brought proceedings to seek maintenance from the four Sisters in their capacities as executrices and trustees of Father's estates – and in the affidavit filed in support of those proceedings, Mother had stated clearly that she was a homemaker who had not been involved in the administration or management of the Companies' affairs.[169] I saw no reason to doubt the statements Mother had made on oath in those proceedings. Neither Blossom nor Ivy produced any evidence to show that they had at any point challenged the veracity of those statements. In cross-examination, Ivy attempted to suggest that their brother Charlie might have had "a hand" in the filing of Mother's affidavit – but this was no more than a bare (and speculative) assertion.

148 In fact, Ivy's own description in email correspondence of Mother's role in the running of the Companies belied Blossom's and her claims at trial about Mother's participation in management. For example, in email correspondence among the Sisters in May 2009 following Julie's stated intention to resign, Ivy lamented that Mother's salary "[took] away the bulk of [MCST] 325's income" and fretted that "[t]his arrangement cannot go on if CCH's rental income is decreasing." She then proposed that all the Sisters "have to sit down with [Mother] to tell her what is happening to CCH", adding:[170]

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169 p 10 at [17(g)] and p 11 at [24] of Volume L of the Agreed Bundle of Documents.

170 A1-26.

> She [Mother] cannot be left in the dark happily collecting 7K every month… she'll be thinking that CCH can afford.

149 None of the Sisters – not even Blossom – protested Ivy's description of Mother's state of awareness about the Companies' affairs. The inference to be drawn, therefore, was that Mother was simply not involved in managing the Companies and had no idea how each company was doing.

150 I should add that while Blossom claimed that Mother had acted as a "stabilising force" within the Companies[171] in attempting to bring about harmony between the Sisters, this fact – even if true – did not demonstrate that Mother had played an active part in running the Companies. It was clear from the evidence of all four Sisters that Mother was aware of the tensions between the Sisters and had tried to help smooth over their differences: Julie, for example, gave evidence of Mother's attempts to persuade her to reach some compromise with Blossom and Ivy over the sale of the JB Properties.[172] In my view, Mother's attempt to mediate quarrels between the Sisters – and to play some sort of "stabilizing" roles – bore testament to only to her instincts *as a mother*, and not to her participation in the management of the Companies' affairs.

The relationship between the Sisters

151 I further noted that despite Blossom's protestations to the contrary, it was clear from the evidence adduced that the Sisters were never close: even Ivy admitted as such.[173] In particular, it was clear (again despite Blossom's

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171 [25] of Blossom's AEIC.

172 [166]-[167] of Julie's AEIC.

173 See transcript of 2 August 2019 p 97 lines 1 to 10.

protestations) that the relationship between Blossom and Julie had been fraught with tension and mutual suspicion since childhood. This fact was alluded to by Doreen and Ivy in various email communications;[174] and even Blossom herself complained in her testimony about Julie's gibes.[175] The deep-seated antagonism between Blossom and Julie was relevant: *inter alia,* it provided good reason to doubt the narrative of the Sisters coming together to run the Companies in "mutual trust and confidence".

152 Next, while it is true that the Sisters appointed themselves directors of the Companies on 17 June 2003 (insofar as they were not already directors), I did not find that this fact in itself demonstrated some shared intention to work in concert to preserve the Companies as a continuing source of wealth for the family and its future generations. Instead, it appeared to me that the decision to appoint themselves as directors was really one of convenience and self-interest. By 2003, after Father's death, the only two directors who remained were Mother and Chua. Both were in their 70s by then: Mother was, in her own words, a "homemaker"; and as for Chua, it was not disputed that he had served as Father's employee for many years without actually exercising any directorial functions. These two remaining directors were in no position to run the Companies. At the same time, there was self-interest on the Sisters' part in ensuring that they got themselves appointed as directors of the Companies. Blossom conceded that as executrices and administrators of Father's estate, they needed to sort out the estate, which was sizeable;[176] and a large chunk of the

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174 See e.g. A1-35 (Doreen's email of 16 September 2011); A1-57 (Ivy's email of 19 January 2012).

175 See e.g. A1-37 to 38.

176 See transcript of 30 July 2019 p 128 line 18 to p 129 line 6.

estate (and thus a large chunk of their inheritance) consisted of the shares in these Companies. The assets of the estate had to be realised and debts had to be paid.[177] From what I could see of the evidence, therefore, the Sisters' decision to appoint themselves as directors was one of expediency, made as part of the Sisters' efforts to try to sort out Father's estate.

The Sisters' discussions about cashing in on their inheritance

153 On the evidence available, I agreed with defence counsel that the Sisters were trying to find some agreed means of monetising their inheritance – and that this explained at least in part why they kept the Companies going in the meantime. The bulk of the value of their inheritance lay in their shareholdings in the Companies – and through these shareholdings, in the properties owned by the Companies. As seen earlier, in May 2009 when the Sisters were discussing what to do about the Companies if Julie resigned as working director, Ivy had proposed as an option the sale of all the properties and the voluntary winding up of the Companies.[178] The following month, in an email to the other Sisters on 20 June 2009,[179] Doreen exhorted them to think about how they would "responsibly manage what [Father had] bequeathed" to them. Tellingly, however, this exhortation was in the context of asking the other Sisters to be "upfront" about what they "intend[ed] to do about [their] inheritance".

154 Other email communications between the Sisters in the period between 2009 and 2012 showed that they were thinking and talking about the possible ways of cashing in on their inheritance. On 19 September 2011, Ivy –

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177 See transcript of 30 July 2019 p 129 lines 1 to 3.

178 A1-25.

179 A1-29.

responding to an email from Julie in which the latter had described Blossom as "stirring again" – wrote:

> Since some directors cannot work together, let's wrap it up. Let's seek a professional third party to do so to avoid pushing responsibilities and the blame game … I am sure [Father] will be disappointed but understand that this is the best way to keep whatever sibling relationship is left. Those who still have [Father] in their hearts can either pool their funds together to do something in [Father's] name or remember [Father] in their own way. Wrapping up CCH and TBL will be a long process but at least this is one direction I can focus on…

155 In cross-examination, Ivy admitted that her "key thought process" in writing this email was focused on how the Sisters could cash in on their inheritance.[180]

156 On 9 February 2012, for example, in an email to the other Sisters titled "Share Distribution",[181] Doreen said to her other three Sisters:

> As all of you are aware of the tensions in managing the companies that we inherited from [Father], it may be timely to look into share ownership in these companies with distribution in mind. Given the legal and tax implications, I see the need for professional advice in pursuing this path… Please consider carefully and let us have your constructive views and suggestions (not queries) on how best to move forward.

157 In Blossom's reply to Doreen,[182] she set out "information" which she said she had "found thus far". Tellingly, again, despite prefacing the substantive contents of her email with the remark that the information was for the objective of easing "[business] management", the various options set out by Blossom in the email actually went beyond "easing business management". *Inter alia*, she

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180 See transcript of 2 August 2019 p 207 lines 11 to p 208 line 17.

181 A1-65.

182 A1-64 and 65.

referred to the option of an *en bloc* sale of most of the Companies' properties; and in relation to YP, in particular, she noted that if the RV Building were to be sold *en bloc*, YP would be

> … left with one TBL unit which can be sold. Since only cash left, can apply to liquidate.

158 In other words, Blossom herself was (at this stage) open to the idea of selling off at least some of the Companies' properties and liquidating at least some of the Companies. This idea that the way forward for the Sisters would possibly include selling off Properties and liquidating some of the Companies was also taken up by Doreen in her response to Blossom on 29 February 2012. In that email, Doreen stated that the "consensus" was "to proceed" and that there were two issues to consider before proceeding:

> (1) Are we talking about company restructuring whereby shares are juggled around to reduce number of shareholders / directors with companies remaining intact or share distribution with possibility of liquidation of companies.
>
> (2) Tax implications for investment holding companies with assets in property especially in light of legal history of TBL and recent changes to Singapore law on property transactions.
>
> Let's tread carefully or risk upsetting the apple cart with potentially messy outcomes.[183]

159 It was clear to me that the email exchange between Doreen and Blossom was focused on the issue of how the Sisters should monetise their inheritance. Although Blossom refused to accept this construction of the email communications, her co-plaintiff Ivy conceded in cross-examination that these

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183 A1-66.

emails were concerned with the "key question" of what the Sisters should do with their inheritance.[184]

160 In arguing that this was a case where the "family interest" was intertwined with the *raison d'être* of the Companies, Blossom and Ivy contended in their closing submissions that the "Family Business" was not meant to take care of the "entire family": according to their argument, the "family interest" should be understood to exclude Victor who was "a half-brother" (and thus not part of the family), Charlie who "had fallen out with Father", and Lena who "was not a Singapore citizen".[185] Essentially, therefore, Blossom and Ivy were saying that since the Sisters were the only siblings to be bequeathed shares in the Companies by Father, the "family interest" must be understood to refer only to the interests of the four of them (and possibly Mother). This appeared to me to be a self-serving and ultimately circular argument. It was also not supported by the objective evidence. Whether one defined the "family interest" as the interests of the entire Tan family (Mother and all seven siblings) and their descendants, or as the interests of the four Sisters and the Sisters' descendants, there was no evidence that Father had intended the Companies to be the means by which such "family interest" was preserved and advanced. Neither the Companies' articles of association nor Father's will alluded to a "family interest" which the Companies were to be used to look after.

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184 See transcript of 2 August 2019 p 207 line 18 to p 208 line 12.

185 [46] of the Plaintiffs' Closing Submissions.

Whether Doreen and Julie acknowledged the existence of a relationship of mutual trust and confidence in their email communications

161 In closing submissions, it was argued on behalf of Blossom and Ivy that Doreen and Julie had in the course of their email communications acknowledged the existence of a relationship of mutual trust and confidence between the Sisters. I rejected this argument as it appeared to me to be based on a highly selective and skewed reading of the emails relied on. Thus, for example, Blossom and Ivy referred to Julie's email of 14 January 2012;[186] specifically, to the second sentence in that email in which Julie had stated:

> We had a peaceful and relatively smooth (though not perfect) seven years since Dad's passing.

162 According to Blossom and Ivy, this sentence denoted an admission on Julie's part that from 2003 to 2010, there had been "cooperation and mutual collaboration between the Sisters".[187]

163 Reading the email as a whole, however, it was impossible to come to any such conclusion. If anything, read in context, the above sentence which Blossom and Ivy relied on was actually an acerbic reference by Julie to the seven years of relative peace which she and Doreen had enjoyed prior to Blossom joining CCM as a fulltime director in late 2009. This was obvious from the sentence which followed immediately after, in which Julie – in an obvious reference to Blossom – commented that "the new 'boss' is trying to stir matters up again". The other comments in the email left no doubt that far from admitting there had previously been cooperation and mutual trust

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186 A1-54.

187 [75] of the Plaintiffs' Closing Submissions.

between the Sisters, Julie was of the view that Blossom's "stirring" or trouble-making was not new. Hence, for example, her comment to Blossom that:

> …the recent commotion in the office between Dor[een] and I over the "banking" issue is *a classic example of yet another of your political play.*
>
> [emphasis added]

164 Indeed, as defence counsel pointed out, Blossom's and Ivy's case – as put to Julie in cross-examination – charged that Julie had (upon Father's death) been "the only one running the show" until Doreen joined her in CCM; that Doreen and Julie had thereafter been "running [their] fiefdom in the CCM office"; and that "basically, the two of [then] could do what [they] liked in the office". Such a contention essentially ran contrary to a narrative in which *the Sisters had come together (with Mother) in June 2003 to run the Companies on the basis of their "mutual trust and confidence"*.

Summary

165 In the circumstances, even though the Sisters were family members, their relationship in the Companies was not based on mutual trust and confidence. This was not a case where the Sisters came together to "co-operate, work the company and make it grow for the common good of themselves and their descendants" (*per* Chao Hick Tin JA at [31] of *Chow Kwok Chuen*). Instead, they were in my view very much in the same position as the warring siblings in *Lim Kok Wah*; and the observations of the High Court in that case resonated in the present case. In the present case, as in *Lim Kok Wah*, whilst the Sisters had accepted Father's authority unquestioningly and whilst there might have existed a bilateral relationship of mutual trust and confidence between Father and each of the Sisters, I found that there was no such relationship as

between the Sisters themselves. On the evidence adduced, even as between each sister and Father during his lifetime, there was clearly never any expectation (nor any basis for an expectation) that each sister would participate in managing the Companies. After Father's death, the Sisters' conduct also did not conform to a shared understanding of an equal right to participate in management. I found that the Companies were not a quasi-partnership, nor could they be said to be a "Family Business" akin to a quasi-partnership. There was no scope for the superimposition of equitable considerations.

Whether there was a legitimate expectation on the Sisters' part that each would be entitled to participate equally in managing the Companies

166 In the event that I was wrong in making the above findings, I also considered Blossom's and Ivy's case on the assumption that the Sisters' relationships as members of the Companies were based on mutual trust and confidence, as a result of which they did not document certain fundamental expectations underlying their association with each other in the Companies.

167 In this connection, Blossom's and Ivy's case (in a nutshell) was that there existed an unwritten, common understanding between the Sisters that each of them was entitled to participate equally in the management of the Companies. They contended that Doreen and Julie were in breach of this legitimate expectation. I should add that in their Statement of Claim, it was also stated that there was a "common understanding … that the Sisters would each … treat each other fairly and/or be transparent in their dealings with each other in the management of the Family Business / Companies".[188] However, the exact nature and scope of this other alleged "common understanding" was never

188 [24.2] of the Statement of Claim.

explained; and it appeared to be no more than an attempt at including in the pleadings some vague reference to notions of "fairness" and "transparency". The focus of Blossom's and Ivy's evidence throughout the trial was on their right to an "equal say and stake" in the running of the Companies, and on the manner in which Doreen and Julie had allegedly deprived them of such right.

168 On the basis of the evidence before me, I did not find Blossom's and Ivy's contentions to be made out.

169 In the first place, even after the Sisters appointed themselves as directors of the Companies, only Julie joined CCM as a working director. In this connection, as mentioned earlier, whilst Blossom and Ivy voiced reservations about the use of the term "working director", I did not see anything controversial about using the term as convenient shorthand for referring to those directors who worked fulltime in CCM. Blossom herself admitted upon cross-examination that she too had "in certain communications" referred to Doreen and Julie as the "working directors of CCM" (though she claimed she had "followed" their use of the term).[189]

170 In cross-examination, Blossom alleged somewhat surprisingly that it was pursuant to the other three Sisters' request that Julie had joined CCM fulltime in 2003.[190] I did not believe this allegation because none of the Sisters – including Blossom herself – had averted to any such "request" in their AEICs. In any event, despite the many caveats and qualifications she sought to raise,

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189 See transcript of 30 July 2019 p 139 line 8 to p 140 line 13.

190 See transcript of 30 July 2019 p 142 lines 5 to 12.

even Blossom could not deny that after 17 June 2003, Julie was the only one of the four Sisters who worked fulltime in CCM.

171 I also noted that when Doreen resigned her position at NUS in 2004 to join Julie in working fulltime in CCM, this was because Julie was expecting another child in 2004, and Doreen knew it "would be difficult for her to handle the workload in CCM by herself".[191] In other words, Doreen's decision to join CCM as a working director in 2004 was made out of sisterly concern – and not due to any "common understanding" that each Sister had the right to participate equally in managing the Companies.

172 As for Blossom and Ivy, following the Sisters' appointment as directors in June 2003, there was no evidence at all of either of them requesting to be involved in the management of the Companies. For that matter, there was also no evidence of either of them expressing any expectation that they should be involved in the management of the Companies. In cross-examination, Blossom alleged that before joining CCM fulltime in 2009, she had already been involved in managing the Companies because she would go in to work in the CCM office "every Saturday".[192] Again, I did not believe this allegation. If Blossom had indeed been actively involved in managing the Companies since mid-2003, and if she had indeed spent her lunchtimes and Saturdays working in the CCM office, it was simply not believable that she should have failed to mention such a significant fact in her AEIC. Moreover, Blossom's story was proven false by the evidence of the Sisters' email communications.

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191 [59] of Doreen's AEIC.

192 See transcript of 30 July 2019 p 142 lines 11 to 13.

173 Thus, for example, the Sisters' email communications in May 2009 were instructive. Around this time, Doreen had informed the other Sisters that Julie was thinking of resigning from her CCM position. In her response,[193] Ivy alluded to Father having built the Companies "to feed generation after generation". In the first place, this description of Father's plans was highly romanticized and inaccurate, given the manner in which Father had dealt with the Companies, both during his lifetime and in his will (see [142]–[145] above). Further, and more pertinently, Ivy herself made the following observations about how the Companies should be managed – and by whom – if Julie were to resign:

> Nan [Julie]'s done a good job for the last 5-6 years … I couldn't have done better. Who amongst us 3 can take over … Pi [Blossom] does not want to get involved (only standby if none of us are around). (dorrect [*sic*] me if I'm wrong) You [Doreen] have [MCST] 641 and TBL … don't think you should take any more in your current state of health. Me… with CCH Malaysian Properties and my obligations to Marie [Ivy's daughter]? If you ask me to choose between shares, properties, money and health … I choose the last. So … please consider the following options:
>
> Employ someone whom you all know and entrust the business to … someone who is capable to manage the loyal staff with their nonsensical habits
>
> Each director take a company to manage … CCH(S) and CCS(M) which I will take knowing none of you all wants any of this side of the responsibility. TBL, the 2 management companies and YP. Naturally if we take this route the distribution will not be even … we just have to work out the best way.
>
> Sell all the properties and have a voluntary windup of the company. This may take 2-3 years. Meanwhile Nan is [resigning] in June. I am sure there is nothing any of us can say to stop her.

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193 A1-25 to A1-27.

174 Considering that Ivy was one of the Plaintiffs, her comments in this email chain were revealing of the Sisters' attitude towards the Companies and their role in managing these entities. In her email, Ivy herself showed little inclination to be involved beyond her existing role in looking after the properties in Malaysia where she lived. In addition, Ivy's observation that Blossom "does not want to get involved" – and would only "standby" if none of the other Sisters were around – flew in the face of Blossom's claims at trial about having worked every Saturday in CCM and having been involved in managing the Companies even before 2009. There was certainly no evidence of Blossom responding to refute Ivy's observations.

175 Critically, too, Ivy's alternative proposal that all the properties be sold – and the Companies voluntarily wound up – showed that there was no common understanding among the Sisters that the Companies should be preserved as a "Family Business" which each of them would participate equally in managing. It should be noted that none of the other Sisters responded to voice any consternation about the notion that selling the Properties and winding up the Companies might be an option.

176 Ivy followed up the above email with a further email to Julie on 2 June 2009,[194] in which she alluded to Julie's intention to get Blossom "to open her mouth" – apparently a reference to the Sisters' discussions at that time about what to do with the Companies if Julie resigned as working director. In that email, Ivy implored Julie to think of how she wanted to "handle" CCH and added:

> Looks like you want to *be like her [Blossom] … sit back and take the dividends and not query?*

194 A1-28.

[emphasis added]

177 Again, these observations as to Blossom's attitude towards the running of the Companies were revealing, especially since these were observations made before the present proceedings were ever contemplated. In cross-examination, Ivy attempted to disavow these observations, claiming that she had not previously known about Blossom going to work at CCM "on Saturdays and even at her lunchtime".[195] According to Ivy, she only found out about this when she heard Blossom's answers during cross-examination. I did not find Ivy's belated disavowal of her earlier comments at all credible. Both Blossom and Ivy had pleaded in their Statement of Claim that "after 17 June 2003 … the Sisters came together and began to run the Family Business jointly, together with the Mother".[196] The same assertion was repeated in Blossom's and Ivy's AEICs.[197] If Blossom had indeed been actively involved in managing the Companies since mid-2003, and if she had for years been spending her lunchtimes and Saturdays working in the CCM office, it was simply unbelievable that Ivy should have been ignorant of such a significant fact *until the trial*.

178 In the end, Julie did not resign from her position as CCM's working director. Instead, in August 2009, she took a leave of absence of 6 months. It was around this time that Doreen invited Blossom to come and work in CCM.[198] Doreen explained that she had done so because she knew she would not be able to handle all the work in CCM. She had other options open to her, such as

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195 See transcript of 2 August 2019 p 181 lines 24 to p 183 line 14.

196 [19] of the Statement of Claim.

197 [26] of Blossom's AEIC; [13(b)] of Ivy's AEIC.

198 [62] of Doreen's AEIC.

"employing more staff or a professional manager". Blossom and Ivy were aware of these options: in her email to the other Sisters in May 2009,[199] for instance, Ivy had suggested the possibility of "employ[ing] someone" whom they all knew to "entrust the business to". Doreen's evidence was that Blossom was "initially reluctant" to join CCM – which was consistent with Ivy's observation in May / June 2009 that Blossom "does not want to get involved".[200] In other words, Blossom became a working director because Doreen needed help with managing CCM after Julie started her leave of absence[201] – not because of any shared understanding of the Sisters' "right" to participate equally in managing the Companies.

179 It was also interesting that in the discussions between the Sisters at end-2011 as to their entitlement to directors' fees[202], none of them alluded to a shared understanding that each should participate equally in managing the Companies. Instead, while Ivy carped at the amount she was to receive, Doreen grumbled at the relatively lighter load Ivy had in overseeing CCH Malaysia, Julie adopted a "can't care less and hands-off attitude", and Blossom made cryptic references to the need to "[avoid] the possible situation where the one who's been 'running' the company uses the reflection of DF [directors' fees] for purposes other than that for the good of all". This divergence of interests and approach led Doreen to remark to Blossom:[203]

> [T]he responsibility and meaning of business is not about fulfilling wants of owners. Mum wants Dad's salary, Ivy wants

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199 [63] of Doreen's AEIC.

200 A1-25.

201 See transcript of 30 July 2019 p 146 lines 10 to 14.

202 A1-39 to 53.

203 A1-39 to 40.

> more, you want 'equality', Nan [Julie] wants something different. But no one wants responsibility, or bother to think about and learn about how to carry out responsibility.

The disposal of Mother's shares

180 In this connection, I also rejected Blossom's contention that Mother had "always recognised" that the four Sisters "would have equal say and stake" in the Companies.[204] As at 2014, Mother held 3,000 shares in CCH; 2,000 shares in CCM; 100 shares in TBL; and 2 shares in YP. Blossom testified that it was Mother's intention that her shares be offered in equal proportions to the Sisters.[205] However, in cross-examination, she admitted that there was no agreement between Mother and the Sisters – or between the Sisters themselves – that each of the Sisters must take up an equal quantity of Mother's shares: this was not a case where the Sisters or Mother had insisted that the Sisters had to purchase Mother's shares in equal proportions.[206]

181 I noted that subsequently, towards the end of her testimony, Blossom tried to retract this admission, claiming instead that there had been a "discussion" and an "agreement" among the Sisters about each purchasing an equal number of Mother's shares. According to Blossom, she had erroneously admitted in cross-examination that there was no such agreement only because she had thought that defence counsel was referring to "a written, formal agreement … signed" by the Sisters. I found Blossom's testimony in this respect quite unbelievable. Defence counsel had never said anything about a "written, formal agreement" when cross-examining her, so there was no basis

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204 See transcript of 2 August 2019 p 70 lines 18 to 20.

205 See transcript of 2 August 2019 p 9 line 18 to p 10 line 7.

206 See transcript of 30 July 2019 p 123 line 18 to p 125 line 21.

for her to think he was confining his questions to "written, formal" agreements. Indeed, when it was first put to her that there was no agreement among the Sisters to purchase Mother's shares in equal proportions, she had not only admitted there was none, but had added that nevertheless, "the mere fact" that they had taken up equal amounts" of Mother's shares indicated an intention to maintain the "equality" of their respective stake in the Companies. The belated – and novel – allegation about a "discussion" and an "agreement" among the Sisters to each purchase an equal number of Mother's share thus appeared to be a disingenuous attempt by Blossom to "rewrite" an unfavourable portion of her testimony.

182 I also noted that in her own email to Mother's then lawyer (one Samuel Yuen) on 12 March 2014,[207] Blossom had stated clearly that

> … this deadline [set by Mother for the Sisters to revert on whether they were taking up her shares] was "intended to give her some peace of mind in knowing that her shares will be taken up. Her intention was that *if the shares cannot be completely taken up, she may need to think of an alternative (such as offering to the remainder who had taken up),* to ensure full divestment of her shares while she is still well enough to do so.
>
> [emphasis added]

183 Blossom's own statements in the above email indicated that she was aware of Mother's true intention *vis-à-vis* her shares. Mother's concern was "to ensure full divestment of her shares" while she remained well enough to do so, and she was not concerned about ensuing that her shares were distributed among the Sisters in such a way as to ensure each had an "equal say and stake" in the Companies.

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207 A1-146.

184 It should be noted, in addition, that none of the Sisters had insisted that all four of them must jointly hold Mother's 2 shares in YP. Nor was it disputed that Ivy had declined to purchase Mother's YP shares.[208]

185 In the circumstances, I found that the manner in which Mother's shares in the Companies were disposed of in 2014 did not bespeak any belief or assumption by Mother that the Sisters "would have equal say and stake" in the Companies. In fact, the manner in which Mother's shares were taken up by the Sisters did not bespeak any belief or assumption among *the Sisters themselves* that they had to maintain "equal say and stake" in the Companies.

Summary

186 In *Lim Kok Wah*, the High Court cautioned (at [121] and [122]) that

> The concept of "legitimate expectations" is … of limited scope. It cannot be used as a legal mask for what may have been nothing more than a party's subjective expectation, even if there is a reasonable basis for that subjective expectation … *The plaintiffs cannot rely on any subjective expectation that they may have harboured that they would be entitled to participate in the management of the business of SSH or of Kenson. They can succeed in their case only if they can show an informal agreement or a clear understanding shared by the parties that they were each entitled to participate in the management of the business of each company and to hold the office of a director until they elect otherwise.*
>
> … The understanding has to be one that was shared by them all, and not one that was imposed on them.
>
> [emphasis added]

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208 See transcript of 30 July 2019 p 125 line 18 to p 126 line 21.

187 The evidence adduced did not show there was any implied agreement or shared understanding between all four Sisters that they would each be entitled to participate equally in the running of the Companies.

Whether there has been "commercial unfairness" in the treatment of Blossom and Ivy

188 To recap: on the evidence before me, I found that the Companies were not a quasi-partnership nor akin to one. The Sisters did not come together (whether with or without Mother) to run the Companies as a "Family Business" on the basis of personal relationships of mutual trust and confidence. There was no common understanding between all four Sisters that they would each be entitled to an "equal say and stake" in the running of the Companies. In the circumstances, there was no basis for Blossom's and Ivy's claims about an "irretrievable breakdown" of the "relationship of mutual trust and confidence" between the Sisters.

189 I also considered specific allegations by Blossom and Ivy about alleged instances of their treatment at Doreen's and Julie's hands to determine whether they demonstrated commercial unfairness. This was because even if the Companies were not a quasi-partnership and not subject to equitable considerations, a shareholder might still have legitimate expectations derived for the company's articles of association (or for that matter, the CA), and the conduct he complains of might have departed from these expectations to the extent that it had become unfair (*Lim Kok Wah* at [103]). In this context, as the court in *Lim Kok Wah* noted (at [99] and [131], citing inter alia the CoA's judgment in *Over & Over Ltd v Bonvests Holdings Ltd* [2010] 2 SLR 776):

> … "commercial unfairness" involves a consideration of whether there has been a visible departure from the standards of fair dealing and a violation of the conditions of fair play which a shareholder is entitled to expect.

190 In this connection, there was a long list of complaints by Blossom and Ivy. I address only the more significant complaints below.

Julie's salary increment

191 One of the matters that Blossom and Ivy complained most vehemently about was the increase effected to Julie's monthly salary in September 2016. They insisted that this salary increment was "unauthorised" because they had not been asked for their approval of such an increment and had not given any approval.

192 It should be highlighted first of all that insofar as Julie, Blossom and Doreen worked fulltime in CCM running its day-to-day operations, they did so as *employees* of CCM. This was not disputed by Blossom and Ivy. Indeed, it was why Blossom's resignation letter of 28 July 2016 expressly stated that she was resigning "as an *employee* of [CCM]".[209] In this respect, therefore, the monthly salary paid to those of the Sisters who were employed fulltime in CCM was a separate and different thing altogether from the directors' fees drawn by all four Sisters by virtue of their appointment as directors. This distinction was clearly acknowledged by the Sisters themselves. Thus, for example, in the Sisters' email correspondence at end-2011 and in January 2012 regarding the payment of both directors' fees and monthly salaries,[210] it was not disputed that while directors' fees were to be paid to all four Sisters and their Mother by each of the four Companies, only those of the Sisters who were employed fulltime in CCM would receive a monthly salary from CCM.[211]

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209 A1-413.

210 A1-41 to 53.

211 A1-46.

193 Secondly, I accepted Doreen's and Julie's contention that there was reasonable justification for the increase in Julie's monthly salary from CCM. Basically, as Doreen explained to both Blossom and Ivy in her email of 27 June 2017, Blossom's abrupt resignation on 28 June 2016 – as well as Ivy's self-proclaimed "resignation" from the "Singapore operations" on the same day – "created a crisis that necessitated Julie stepping in to helm the business".[212] It should be remembered that at the material time, Doreen was suffering from ill health and had returned to Australia. CCM was then providing management services to all three property-holding companies (CCH, YP and TBL), which required it to manage a substantial portfolio of properties.[213] It should also be remembered that in her AEIC, Blossom had described herself as having been "involved in *managing all the Companies, especially in CCM*" from February 2010 until her resignation.[214] In cross-examination, Blossom was obliged to concede (reluctantly) that upon her resignation, Julie would have had to take on the tasks which Blossom herself had been responsible for prior to resignation.[215] While she tried to argue that she "did not say that [she] will not help or completely be out of the business", she was also obliged to concede that until she actually returned to work in CCM, it was Julie who would have to take on all the tasks she had previously undertaken prior to resigning.[216] In the circumstances, it did not appear to me unreasonable that as the main working director in charge in the CCM office, Julie should have an increase in her monthly salary.

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212 A2-101.

213 See transcript of 31 July 2019 p 108 line 24 to p 109 line 1.

214 [45] of Blossom's AEIC.

215 See transcript of 31 July 2019 p 106 line 22 to p 108 line 1.

216 See transcript of 31 July 2019 p 107 line 18 to p 108 line 1.

194 Doreen and Julie took the position that they could decide to adjust the monthly salaries of persons employed by CCM without the unanimous approval of all four Sisters or of all directors. This was because after 28 July 2016, they were the only two remaining working directors in CCM. In this connection, the onus was on Blossom and Ivy to show that it was a breach either of the CA or of their legal rights under CCM's articles of association for Julie – as an employee – to have her salary increased without unanimous approval from all four Sisters or all directors. Neither Blossom nor Ivy cited any provisions of the CA which could be said to have been breached. As for CCM's articles of association, while clause 80 provided that the "remuneration of the directors shall from time to time be determined by the company in general meeting",[217] it was not at all clear that this provision encompassed the monthly salaries paid by CCM to those sisters who were on fulltime employment with the company. No materials were produced by Blossom and Ivy to persuade me that this was the case. CCM's articles of association also clearly did *not* mandate that the unanimous approval of all four Sisters – or for that matter, of all directors (including Mother) – had to be obtained for any increase in these monthly salaries.

195 Thirdly, Blossom was in fact presented with the opportunity to put a stop to the allegedly unauthorised and unfair payment of Julie's increased salary. In August and September 2017, through emails copied to the other Sisters, Doreen invited Blossom to return to work in CCM. Doreen informed her that once she returned to CCM, Julie's salary would be readjusted.[218] When Blossom refused to return to work on the ground that she could not "work together" with Doreen

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217 A1-235.

218 A2-132.

and Julie, she was assured that to pave the way for her to "return to helm the company", Doreen and Julie were prepared to leave their positions as working directors of CCM.[219] As Blossom conceded in cross-examination, once Julie stepped down as working director, she would not earn any salary, much less the increased salary. In addition, although Blossom sought to argue that Doreen and Julie would have "hindered" her efforts at management if she had returned to CCM as working director, she had to concede that this was pure speculation on her part, because the bottomline was that she never tried to take up Doreen's offer.

196 If the payment of Julie's increased salary had truly been a "visible departure from the standards of fair dealing and a violation of the conditions of fair play which a shareholder [was] entitled to expect" , one would have expected Blossom to accept with alacrity the offer for her to return to helm CCM – and for Doreen and Julie to leave their positions as working directors. Had she done so, she would have been able to put an end to the payment of the allegedly unauthorised and unfair salary increment. The fact that she rejected the opportunity to put an end to the alleged unfairness – and for reasons which did not withstand scrutiny – showed that this complaint regarding the salary increment was really no more than a red herring.

Non-payment of dividends by CCH and YP since 2016 and 2014 respectively

197 Another of Blossom's and Ivy's complaints related to Doreen's and Julie's refusal to allow CCH and YP to pay dividends from 2016 and 2014 respectively. Again, having examined the evidence, I did not find that this refusal by Doreen and Julie represented a "visible departure from the standards

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219 A2-144.

of fair dealing and a violation of the conditions of fair play which a shareholder is entitled to expect".

198 Firstly, as the Defendants pointed out, Julie had explained in her AEIC[220] that this non-payment of dividends arose from Doreen's proposal that the two companies conserve funds for contingencies and repairs works anticipated at the RV Building. Both Doreen and Julie gave evidence that Blossom and Ivy had agreed to this suggestion.

199 Secondly, the proposal for CCH and YP to stop issuing dividends so as to conserve funds for contingencies such as repair works was clearly a reasonable one, especially in view of the age and condition of the RV Building. There was some suggestion by Blossom and Ivy that it was MCST 325 which would have to pay for the BCA remedial works with money from its sinking fund.[221] This was not in my view a sensible distinction to draw, since monies in the MCST's sinking fund had to come from the sub-proprietors in the building; and in the case of the RV Building, CCH and YP were indisputably the only two sub-proprietors in the building.

200 Thirdly, I noted that both Blossom and Ivy articulated in cross-examination a belief that as shareholders, they had "the right to ask for dividends".[222] Neither of them stated the basis for such a belief, which was in any event completely wrong. As the court in *Lim Kok Wah* stated (at [145]) in

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220 [273] of Julie's AEIC.

221 See e.g. transcript of 5 August 2019 p 127 lines 12 to 18.

222 See transcript of 1 August 2019 p 160 lines 10 to 11.

rejecting the plaintiffs' complaints about "inadequate dividends" declared by the defendants "LKL" and "LBY":

> [D]irectors have no obligation to declare dividends and shareholders correspondingly have no right to receive dividends: *Burland v Earle* [1902] AC 83. The failure to recommend or effect the declaration of dividends does not by itself amount to unfair conduct …

201 For these reasons, I did not find that there was anything "unfair" about the non-payment of dividends by CCH (from 2016) and YP (from 2014).

The extra TBL share

202 I next considered Blossom's and Ivy's arguments about the extra TBL share registered in Doreen's name. In the Statement of Claim, they had pleaded the following (at [13.1]):

> TBL had an odd number of shares, namely 4,261 shares. TBL hence had one extra share i.e. the Extra TBL Share after apportioning 1,065 shares to each of the Sisters. Doreen represented to Blossom and Ivy that ownership in a Share of TBL could not be divided between shareholders and that she could hold the Extra TBL Share. On the basis that each Sister would have an equal one fourth share in the Extra TBL Share, Blossom and Ivy had acceded to Doreen's request to allow Doreen to hold the Extra TBL Share. Blossom and Ivy did not at that time appreciate or direct their minds to the possibility that shares could be held in joint names.

203 According to Blossom and Ivy, it was Doreen who had represented to them that "ownership in a Share of TBL was indivisible"; and that "[i]f they trusted her, she would hold [their] respective one quarter interest in the Extra TBL Share for [them], in her name".[223] Their case was that Doreen was only entitled to her own one-quarter share of the extra TBL share: she held the

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223 See e.g. [9] of Ivy's AEIC.

remaining three-quarters on behalf of the other three Sisters in equal proportions of one-quarter share each. According to Blossom and Ivy, they had written to Doreen in May 2016 to ask for the return of their respective one-quarter shares, but Doreen had unfairly and wrongfully refused to return them what was rightfully theirs.[224]

204 Doreen's case was that in 2005, the lawyer assisting the Sisters with the administration of Father's estate (one Mr Cheong) had informed them that the ownership of the extra TBL share could not be divided; and at that point, her other three Sisters had unanimously agreed that she should be given this extra TBL share since she was the eldest among them. It was an unconditional gift by the other three Sisters to her: she was the legal and sole beneficial owner of the entire share.[225] There was thus no basis for Blossom and Ivy suddenly to demand that she "return" them one-quarter share each. In Doreen's reply dated 16 May 2016 to Blossom and Ivy,[226] she reminded them of the true state of affairs.

205 Having examined the evidence, I was satisfied that the extra TBL share belonged entirely to Doreen, and that neither Blossom nor Ivy was entitled to a one-quarter share. My reasons for this finding were as follows.

206 Firstly, it should be noted that although Blossom and Ivy claimed that Doreen owned only one-quarter of the extra TBL share and held the remaining parts in equal proportions for her three Sisters, Julie has to date never laid claim

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224 [20(a)] and [80] of Blossom's AEIC; [87] and pp 146-147 of Ivy's AEIC.

225 [44]-[47] of Doreen's AEIC.

226 A1-386.

to the one-quarter share purportedly due to her. If indeed Doreen was holding three-quarters of the extra share in equal proportions on behalf of her three Sisters, there was no reason why Julie would want to act against her own interests by abstaining from claiming her one-quarter share in the face of Blossom's and Ivy's claims for theirs.

207 Secondly, Ivy actually admitted in cross-examination the veracity of Doreen's evidence about the meeting with Mr Cheong, his advice to the Sisters and the Sisters' agreement to let Doreen have sole beneficial ownership of the extra TBL share.[227] In other words, Ivy admitted in cross-examination to the key elements of Doreen's case regarding the extra share. Ivy then sought to qualify her admission by claiming that despite the Sisters' agreement to let Doreen have sole beneficial ownership", Doreen had "on the side" reached an agreement with her (Ivy) to hold a one-quarter share on her behalf.[228] I did not find Ivy's attempted qualification credible because if the Sisters had unanimously agreed to let Doreen have sole beneficial ownership of the extra share, it made no sense at all for Doreen concurrently to agree to hold one-quarter of the share on Ivy's behalf (or indeed, on any other Sister's behalf).

208 Even Blossom admitted to the meeting between the Sisters and Mr Cheong – although oddly, she professed not to recall anything about the advice given by Mr Cheong on the extra TBL share during that meeting. This alleged memory lapse seemed to me to be rather far-fetched. Given that Blossom claimed to remember a representation by Doreen about the indivisibility of the extra share and Doreen's willingness to be "entrusted" with her Sisters'

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227 See transcript of 5 August 2019 p 97 lines 9 to 21.

228 See transcript of 5 August 2019 p 97 lines 19 to 21.

respective one-quarter shares,[229] it was unbelievable that she should remember nothing at all about Mr Cheong's advice on the very same issue. In my view, far from having a memory lapse regarding Mr Cheong's advice, Blossom was simply unwilling to admit that he – and not Doreen – was the one who had told the Sisters the ownership of the extra TBL share could not be divided; further, that she was unwilling to admit this fact because it fitted with Doreen's evidence that the other Sisters had, upon hearing that advice, agreed to let Doreen have the entire extra share.

209 Blossom's and Ivy's conduct through the years also corroborated Doreen's version of events. The evidence showed that all the Sisters were well aware through the years of the additional dividend amounts received by Doreen in respect of her extra TBL share[230] – yet neither Blossom nor Ivy saw fit to ask Doreen for their proportionate share of the additional dividends, or even to remind her of their beneficial interest in the extra share. In fact, in the decade which followed the 2005 meeting with Mr Cheong, neither Blossom nor Ivy raised the subject of their alleged one-quarter interests in the extra TBL share with Doreen.

210 When Blossom finally raised the subject of the extra TBL share in an email dated 29 May 2015,[231] the timing of her email was instructive. It came only a few days after a meeting between the Sisters and Mother on 26 May 2015, during which Doreen had "suddenly announced her intention to sell her shares

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229 [20(a)] of Blossom's AEIC.

230 See e.g. A1-41.

231 A1-233.

to Julie".[232] Blossom's and Ivy's immediate reaction to this announcement was one of surprise – and alarm. As Ivy noted in her ARIC the sale of Doreen's shares to Julie[233]

> …would tilt the control of the Companies in Julie's favour. *It would give Julie a majority in TBL because of the Extra TBL Share…*
>
> [emphasis added]

211 The italicised words above betrayed Blossom's and Ivy's real fear: the extra TBL share would give Julie a very real strategic advantage and allow her to "lord over" them.[234] It was less than a week after Doreen's announcement that Blossom sent her email of 26 May 2015 to all the Sisters. Even then, it was noteworthy that in broaching the subject of the extra TBL share with Doreen, Blossom never once claimed ownership of her purported one-quarter interest. Instead, what she said was this:

> … Is Sis [Doreen] planning to relinquish your responsibilities of all companies shares and if not, which ones? If it should include TBL, then I would like us to discuss about *the quarter-share that I had agreed to let Sis have it, since she's the eldest.*
>
> [emphasis added]

212 Not only did Blossom fail to say anything about her purported *ownership* of a one-quarter interest in the extra share, what she did say actually confirmed Doreen's evidence about the Sisters having agreed to let Doreen have the extra share because she was the eldest amongst them.

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232 [79] of Blossom's AEIC.

233 [57] of Ivy's AEIC.

234 [81] of Blossom's AEIC.

213 Furthermore, although Blossom and Ivy insisted that Doreen was holding their respective one-quarter interests in the Extra TBL Share, and although both professed concern at the prospect of the extra share going to Julie, it was not until May 2016 that they bestirred themselves to demand their shares from Doreen. Even then, when Doreen replied emphatically to reject their demands, neither Blossom nor Ivy took any further action. Indeed, in an email to the other Sisters on 30 September 2016[235] in which she asked for the reasons for her non-re-election to the TBL board, Blossom expressly described herself as having *the same number of TBL shares as Ivy and Julie*: there was no mention at all of the additional one-quarter share she later claimed was held on her behalf by Doreen. This omission on Blossom's part was telling – and all the more so because it came after her letter to Doreen in May 2016 seeking the return of her alleged one-quarter share.

214 In short, the manner in which Blossom and Ivy conducted themselves over the many years after the meeting with Mr Cheong was entirely at odds with their contention that they held the beneficial interest in one-quarter each of the extra share. I did not believe their claims about Doreen holding one-quarter shares on their behalf. As such, there was nothing "unfair" about Doreen's rejection of their demands for the "return" of these one-quarter shares. In my view, these claims were clearly trumped up by Blossom and Ivy as a reaction to their own fears about Julie getting the extra TBL share.

The sale of the Malaysian properties

215 Next, insofar as the sale of the JB Properties and the aborted sale of the Melaka Properties were concerned, I did not see any basis for finding that

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235 A1-460.

Doreen and Julie had treated Ivy (or for that matter, Blossom) "unfairly" in the course of these transactions.

216 In respect of the sale of the JB Properties, I did not think it could be disputed that the Sisters had initially agreed to sell them to Julie at RM 2.3 million – and that Ivy had subsequently changed her mind about the sale price, with Blossom's support. I did not believe Ivy's allegation (during cross-examination) that prior to the meeting at which the Sisters agreed to sell to Julie at RM 2.3 million, Doreen and Julie had pulled her aside to tell her to agree that any company assets should be sold to directors at valuation price.[236] This rather belated allegation contradicted Ivy's own evidence in her AEIC[237] that Doreen and Julie had spoken to her *after* the meeting, when Blossom and Mother had already left. I also did not believe Ivy's other allegation (again during cross-examination) that during this private discussion, she had remembered the other offer of RM 2.7 million but had kept quiet about it during the meeting in obedience to Doreen's instructions to "keep quiet".[238] This equally belated and surprising allegation was refuted by Blossom's testimony: when cross-examined about the discussion at the Sisters' meeting, Blossom had asserted that after Julie informed the others of her wish to buy the JB Properties for RM 2.3 million, Ivy had "*also informed the board that there was another sincere buyer at 2.7*… So at that meeting, [the Sisters] had agreed to let Julie have it even though it [was] a lower price".[239] There was no reason for Blossom to lie in her recollection of the discussion, given that she was Ivy's co-plaintiff. Her

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236 See transcript of 5 August 2019 p 30 lines 4 to 23.

237 [36] of Ivy's AEIC.

238 See transcript of 5 August 2019 p 37 lines 1 to 6.

239 See transcript of 31 July 2019 p 25 line 9 to p 26 line 3.

testimony therefore proved Ivy a liar: Ivy *did* mention the RM 2.7 million offer at the Sisters' meeting; and the allegation about having kept quiet because of Doreen's instructions was clearly a last-minute invention to make Doreen look bad.

217 I also did not find Blossom's stated concerns about the inclusion of Alan as co-purchaser to be at all reasonable. Whatever Julie's personal motives for buying the JB Properties, she eventually agreed to the increased price of RM 2.7 million – and did in fact pay it. CCH had nothing to complain about, therefore – and in my view, neither did the Sisters. I did not think it logical to say that Julie was preserving Father's memory any less if she held the properties jointly with her husband. In any event, as defence counsel pointed out, Blossom and Ivy had been prepared to sell these properties to a third party – which made Blossom's purported concerns about Julie's personal motive for the purchase rather hypocritical. Blossom's eventual refusal to sign the sale and purchase agreement – which forced Doreen to rush back from Australia to sign in her place – appeared to me to be an act of sheer pettiness.

218 As for the aborted sale of the Melaka Properties, again I did not find that Doreen and/or Julie acted "unfairly" or even unreasonably in the whole process. Again, it could not be disputed that Ivy was the one who changed her mind and increased the sale price after initially agreeing to sell to Doreen at the valuation price of RM 750,000. Even if Ivy's motive in changing her mind was a laudable one (in that she claimed she was only acting in the company's interests), Doreen for her part could hardly be faulted for deciding not to proceed, in light of the hefty increase in the sale price (to RM 1.025 million) within just one month.

219 As for Doreen's conduct after she decided not to proceed with the purchase, I did not find that she tried in any way to obstruct the sale to Pastor

Francis. As far as I could see, her email of 19 August 2014 simply reminded Ivy that she needed to get a directors' resolution signed by all the directors before proceeding with the sale to Pastor Francis. This could hardly be considered a controversial point since the directors' resolution of 16 August 2013 had given approval for CCH to dispose of the properties subject to a "separate Directors' Resolution" being "prepared and approved once the disposal has been agreed".[240]. In fact, Ivy herself had acknowledged in an earlier email dated 16 May 2014 that the company secretary (Jenny) had "cautioned" her "all Directors should sign" a directors' resolution "pertaining to disposal of assets of the company".[241] There was no basis, accordingly, for Blossom and Ivy to complain that the sale of the Melaka Properties fell through because of any "objections" from Doreen.

220 It should be added that although it was claimed that Doreen's "objections" to the sale of the Melaka properties also scuppered the sale of the Ipoh properties, neither Blossom nor Ivy produced any evidence of any attempts to sell the Ipoh properties[242] – let alone any evidence showing it was Doreen's fault such properties apparently could not be sold.

Appointment of Alan as Management Advisor

221 Another of Blossom's and Ivy's complaints related to the appointment of Alan as Management Advisor to CCM, through the award of a contract for management consultancy services to his company Goodstar. According to Blossom and Ivy, they were not told of the award of the contract to Goodtsar

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240 pp 77-78 of Doreen's AEIC.

241 A1-154.

242 See transcript of 5 August 2019 p 86 lines 1 to 12.

and had not given their approval to any such contract. Their case was that Doreen and Julie had acted unfairly in attempting to "entrench" him in the management of the Companies.

222 It must be noted, first of all, that Alan's presence in the CCM office was no secret. Doreen corroborated Julie's evidence that following Father's death, Alan had assisted Julie and Doreen on an *ad hoc* basis in the office without any objections from Blossom and Ivy.[243] He even went so far as to rent a room inside the CCM office so that he could be physically on the premises. There was no evidence of any objections from Blossom and Ivy to his presence in the office. Blossom and Ivy were also well aware that shortly after Mother's death, Doreen – who had been in ill health and who wanted to return to Australia – had told CCM staff on 1 July 2016 that she had given Alan her POA and that the staff should report to Alan on "business matters".[244] Although initially Blossom appeared to deny knowing that Alan was assisting Julie in the office after her own resignation from CCM's employment in July 2016, she qualified this denial by saying that she did not know if he was assisting "*in any official capacity* because Doreen did not announce until February 2017". This appeared to me to be an implicit admission that Alan had indeed been helping out in the office; and under further cross-examination, Blossom conceded that following her own resignation from CCM's employment and bearing in mind her own evidence about the responsibilities she had shouldered in CCM, it would have been reasonable for Alan to help Julie out in the office. While she tried to argue that Alan's input was unnecessary because she had assured the staff that they could call her for help even after her resignation, she also conceded that she had put a

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243 [60] of Doreen's AEIC.

244 [119]-[121] of Blossom's AEIC.

stop to any such arrangement. She blamed the staff for this, claiming that they had sent her "hostile, disrespectful messages" – but admitted that she had omitted to mention such messages anywhere in her AEIC. In short, therefore, I did not believe Blossom and Ivy were unaware that Alan had already been helping Julie in the office after Blossom's resignation.

223 While Blossom grumbled that Doreen "did not announce [Alan's involvement] until February 2017", it was not disputed that Alan (and Goodstar) had received no payment between July 2016 and February 2017. It was only in February 2017 that Doreen and Julie put things on a formal footing by having CCM enter into a contract with Goodstar for the provision of management consultancy services.[245]

224 As for Blossom's and Ivy's argument that the approval of the entire CCM board of directors was required to engage Alan as a "Management Advisor",[246] I did not see any basis for this argument. Blossom and Ivy did not cite any provision of the CA or any clause in CCM's articles of association which mandated the approval of the Board for the company to contract for professional services such as management consultancy services. There was no evidence that the entire CCM Board's approval was required in order for the company to contract for consultancy services (or indeed, any sort of professional services). I did not think this could have been the only time that CCM had contracted for professional services, bearing in mind its role as a managing agent to the other companies. If there had been evidence of a practice whereby the Board's approval was required for the company to engage

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245 Tab 59 of exhibit JT-1 of Julie's AEIC; also A1-534.

246 A1-535.

professional services, no doubt Blossom and Ivy would have produced such evidence – but they did not.

225 In relation to the contract between CCM and Goodstar, Blossom and Ivy further argued that Julie had breached her duty of disclosure under s 156 CA by failing to declare her interest in the contract. With respect, this was again another baseless argument. Blossom and Ivy were well aware that the "Tang Siew Kwong (Alan)" referred to in Doreen's email of 15 February 2017 was Julie's husband. Indeed, they themselves made a point of stating that fact in their reply to Doreen on 16 February 2017.[247] As Professor Walter Woon has noted in his textbook (*Walter Woon on Company Law* (Sweet & Maxwell, Revised 3rd Edition, 2009) at [7.131]), there are English and Australian authorities[248] which indicate that formal disclosure under the equivalent of our s 156 in these jurisdictions is not required where the nature of the interest is known to the other directors (see *Lee Panavision Ltd v Lee Lighting Ltd* [1992] BCLC 22 at [33]; *Woolworths Ltd v Kelly* (1991) 4 ACSR 431 at 444, 454).

226 In any event, as the High Court in *Lim Kok Wah* pointed out at [100],

> [C]onduct that is technically unlawful may not be unfair", in the same way that conduct may be unfair without being unlawful … [C]onduct that is not lawful because it involves some trivial or technical infringement of the articles or even of the Companies Act may not be unfair.

Even if it were the case that Julie had technically infringed s 156 CA by omitting to serve the requisite written notice of her relationship with Alan and thus her deemed interest in the contract given to Goodstar, I did not think there was

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247 A1-535.

248 *Lee Panavision Ltd v Lee Lighting Ltd* [1992] BCLC 22 at [33]; *Woolworths Ltd v Kelly* [1999] 4 ACSR 431.

anything unfair in this omission, since Blossom and Ivy knew very well of the relationship.

227 Finally, there was some attempt by Blossom and Ivy to suggest that Alan did no real work as a "Management Advisor" and that the contract with Goodstar was just an excuse to pay him $4,280 a month from CCM's coffers. Again, I found this suggestion baseless. Whilst it was true that Alan did not produce any written reports, I accepted his evidence that his practice was to convey his views verbally to Julie and Doreen. Given the nature of their relationship, I did not find it anomalous or unreasonable that his communications with these two sisters should have been of a more informal nature. Moreover, quite apart from Doreen's and Julie's evidence that he had provided assistance to them in running CCM's operations, it was clear that the staff of CCM too had been accustomed to turning to Alan for advice or input. Thus, for example, Lee Bee Khim ("Kim")'s evidence showed that when she discovered the incomplete state of the remedial works done by Suntec Real Estate's contractors at the RV Building, she had turned to Alan for input, and this had led to his notifying Doreen and their lodging a report with the BCA.[249]

228 Contrary to Blossom's and Ivy's allegations, therefore, I did not find anything "unfair" about the appointment of Alan as "Management Advisor" to CCM.

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249 [75]-[76] of Lee Bee Khim's AEIC.

Allegations about being shut out from management decisions and denied access to information

DC Suit 3773

229 Blossom and Ivy also complained about being unfairly shut out from management decisions and denied access information about the Companies' affairs. For example, they claimed that "Doreen and Julie exclude[d them] from the decision making with respect to DC Suit 3733"[250]. This was a suit filed against CCH by a tenant of the RV Building, arising from a dispute over the tenant's alleged deviation from approved plans for renovations in her unit.[251] Although in their statement of claim Blossom and Ivy had only pleaded that they were "excluded" from the decision-making in relation to DC Suit 3733, Blossom further alleged at trial that she and Ivy were "initially kept in the dark about this dispute until the matter had blown up", and that they were "shut out from asking questions about the cases at a board of directors meeting".[252] In cross-examination, Blossom claimed that it was only around end-2014 that she and Ivy started to be kept informed about the suit.[253]

230 In the first place, I did not believe Blossom's allegation that she and Ivy were "initially kept in the dark" about the dispute between the tenant and CCH. This allegation, if true, would have been a material fact in the context of Blossom's and Ivy's case about being unfairly shut out from management decisions and/or being unfairly denied access to information. Yet, oddly, it was never pleaded and instead only surfaced in Blossom's AEIC.

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250 [39.5] of the Statement of Claim.

251 [33] of Lee Bee Khim's AEIC.

252 [70] of Blossom's AEIC.

253 See transcript of 31 July 2019 p 45 line 24 to p 46 line 12.

231 Secondly, when Kim was asked about this matter, she testified that prior to the tenant filing suit, the tenant's lawyers had been writing to CCH – and she (Kim) had kept Blossom and Ivy updated on the matter even at that pre-filing stage.[254] It was not disputed that Kim was the point person for CCH in relation to the conduct of DC Suit 3773. She was unshaken in her testimony, despite cross-examination; and I accepted her version of events. It must be remembered that at the time DC Suit 3773 of 2013 was commenced, Blossom was still employed fulltime as a working director in CCM; and she was in charge of administrative matters and the staff (including Kim) in the office.[255] I did not find it believable that Kim would somehow have been able to keep from Blossom's knowledge all correspondence of a litigious nature being faxed to the office.

232 Indeed, Kim's testimony was proven true by the evidence of Blossom's own email communications. In her email to the other three Sisters on 19 September 2016, in response to an email dated 16 September 2016 from Doreen in which the latter had informed the other Sisters that they were "required to exercise due diligence as directors under instructions from the High Court in respect of DC Suit 3773 of 2013", Blossom stated:

> *I had already authorised Julie way back in 2013 to lodge an affidavit concerning Khim's AEIC.* Isn't this for the entire duration of the case? I've never had any concern with Kim's representing CCH in this case.
>
> [emphasis added]

233 On Blossom's own evidence, therefore, she was already aware of the litigation concerning DC Suit 3773 "*way back in 2013*". This put the lie to her

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254 See transcript of 15 August 2019 p 145 line 20 to p 146 line 17.

255 [64] of Doreen's AEIC.

assertion in cross-examination that she and Ivy had only been kept informed about DC Suit 3773 from end-2014.

234 As to Blossom's claim that she and Ivy were "shut out from asking questions about the cases at a board of directors meeting", I also rejected this claim as being wholly unbelievable. To begin with, if there had really only been one particular board meeting at which she and Ivy were "shut out from asking questions" about DC Suit 3773, this incident must have stuck in her memory – and yet she did not see fit to specify when this board meeting took place or to give any details of it. In cross-examination, defence counsel highlighted to her minutes from a Board meeting in August 2015 which clearly recorded comments she had made about DC Suit 3773 at a board meeting.[256] Blossom claimed that she had been referring in her AEIC to another board meeting earlier than 2015 – but as defence counsel pointed out to her, this was not something she had said in her AEIC. In any event, given that the suit was brought against CCH and that all four Sisters were then directors and shareholders of CCH, it did not make sense that Doreen and Julie should have wanted to stop Blossom and Ivy from asking questions or making comments about DC Suit 3773, whether at the start of the suit or later on.

Managing agent for TBL and MCST 325

235 Blossom and Ivy also alleged that Doreen and Julie had acted unfairly in "unilaterally causing" CCM to cease to be managing agent for TBL[257] and

256 See transcript of 31 July 2019 p 41 line 2 to p 42 line 19; G-3.

257 [40.3.6] of the Statement of Claim.

terminating CCM's service agreement with MCST 325 "without prior consultation".[258] Once again, I found these allegations to be baseless.

236 No evidence was produced by Blossom and Ivy to substantiate the allegation concerning TBL. In fact, Blossom conceded in cross-examination that in the end, there had been no change to CCM's status as the managing agent for TBL.[259]

237 As for MCST 325, the evidence before me showed that it was Blossom and Ivy who had caused the cessation of CCM's appointment as the MCST's managing agent. It was Blossom and Ivy who had written to CCM on *7 April* 2017 – purportedly on behalf of MCST 325 – to demand that CCM "send [the MCST] a copy of the [Management Service Agreement] for the re-appointment of [CCM] as managing agent." This letter ended by stating that in the absence of "a written reply" by noon on *11 April* 2017, MCST 325 would "conclude that [CCM] wish to terminate [their] service".[260]

238 In the first place, it was Julie's evidence that it had never been CCM's practice to send the MCST a "copy of the [Management Service Agreement]" in order to get re-appointed as managing agent. No evidence was produced by Blossom and Ivy to refute this. Secondly, the threat in the last line of Blossom's and Ivy's letter was entirely misconceived. Under clause 1 of the Management Service Agreement,[261] the agreement was an ongoing one with no expiry date: if either party wanted to terminate the agreement, it had to do so by giving 90

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258 [41.1] of the Statement of Claim.

259 See transcript of 31 July 2019 p 138 lines 12 to 25.

260 A2-15.

261 J-15.

days' notice. There was no provision in the agreement for termination to be effected in the manner set out in the letter of 7 April 2017 (that is, by giving CCM 4 days to forward the new MSA, in default of which CCM would be deemed to have terminated its services). The ultimatum given to CCM was also unreasonable, since (as Blossom herself admitted) the lack of a response from CCM could equally signify that it intended not to terminate the agreement[262] – and yet, by 21 April 2017, MCST 325 had already written to CCM[263] to state emphatically –

> In view of a no-reply from you, we shall conclude that you have decided to terminate your contract to serve as managing agent for the MCTS 325, effective from 1st May 2017 …

239 By 2 May 2017, Blossom and Ivy had also acted swiftly to procure the appointment of Suntec Real Estate as MCST 325's managing agent.[264]

240 In the circumstances, I rejected the allegation that Doreen and Julie had "unilaterally" and "without prior consultation" caused CCM to cease to be managing agent for TBL and MCST 325.

Non-re-election of Blossom as a director of TBL

241 Yet another of Blossom's and Ivy's complaints of unfair treatment concerned the non-re-election of Blossom as a director of TBL on 27 September 2016. At TBL's AGM on that day, Blossom was the director due to retire. Blossom herself had to abstain from voting; Ivy voted for her re-election; Doreen and Julie voted against it.

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262 See transcript of 31 July 2019 p 144 lines 4 to 9.

263 A2-10.

264 A2-44.

242 In cross-examination and in closing submissions, counsel for Blossom and Ivy made the argument that Blossom's non-re-election was contrary to the TBL articles of association; in particular, article 87 of the TBL articles of association which states:

> Subject to any resolution reducing the number of Directors, if at any meeting at which an election of Directors ought to take place, the places of the retiring Directors at the meeting, or some of them, are not filled up, the retiring Directors, or such of them as have not had their places filled up, shall, if willing to act, be deemed to have been re-elected.

243 Doreen and Julie testified that they had voted against re-electing Blossom because of concern over her conduct: for example, the incident where she had hidden the CCH cheque-book, her treatment of staff such as the elderly Chua, the abrupt manner in which she had resigned from CCM on 28 July 2016 and her failure to carry out any handover.[265] Both explained that it was the company secretary who had referenced article 74 (in the minutes of meeting) as the relevant article to be relied on for not re-electing Blossom. When referred in cross-examination to the TBL articles of association, both Doreen and Julie candidly agreed that the reference to article 74 was mistaken.

244 It was not disputed that at the AGM on 27 September 2016, there was no resolution passed to reduce the number of directors on the TBL board. Nor was it disputed that Blossom's place on the board was never filled up by someone else. On a plain reading of article 87, therefore, it would appear that Blossom should have been deemed re-elected to the TBL board; and Doreen and Julie were in error in voting against her re-election.

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[265] See e.g. [75], [91], [101]–[103] above.

245 However, assuming Doreen and Julie had infringed article 87 of the articles of association, this did not automatically lead to a finding of "commercial unfairness". As the High Court in *Lim Kok Wah* noted, conduct that is unlawful may not be unfair. I still had to consider the relevant circumstances to assess whether there was a "visible departure from the standards of fair dealing and a violation of the conditions of fair play which a shareholder is entitled to expect". In this connection, having regard to the instances highlighted by Doreen and Julie of Blossom's disturbing behaviour *vis-à-vis* CCM's staff and operations and the disruptive manner in which she had resigned from CCM, I found that they did have good reasons for being concerned about her ability to discharge her duties as a director of TBL I also found it revealing that although Blossom did ask for clarification as to the reasons for her non-re-election, she did not demand to be reinstated – which suggested that she was cognisant of the grounds which Doreen and Julie had for their decision. She also did not seek to highlight article 87 to Doreen and Julie at any time prior to their cross-examination during the trial in late 2019, even though on her own evidence she had already become aware of the provision in 2018.[266] It was also not explained why an infringement of article 87 vis-à-vis *Blossom's* re-election as director should be considered unfair to *Ivy*.

246 The above circumstances would in my view support a finding that while there had been an infringement of article 87, there was no "commercial unfairness" so to speak. However, in the event that I was wrong in taking such a view, I also found that there was no unfairness in any case because Blossom and Ivy could have exited from the Companies but chose unreasonably to put their own obstacles in the way of their exit. I will address the issue of exit from

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266 See transcript of 31 July 2019 p 102 lines 13 to 19.

the Companies and my findings in relation to that issue in the later part of these written grounds (at [268] to [333]).

Whether there has been deadlock in the management of the Companies

247 I also considered Blossom's and Ivy's argument that the management of the Companies was deadlocked, and that such deadlock *per se* provided sufficient basis to invoke the "just and equitable" jurisdiction of the court under s 254(1)(*i*) CA.

248 On the question of deadlock, it must be remembered that I found the Companies to be neither quasi-partnerships nor akin to quasi-partnerships. In *Chow Kwok Chuen*, the CoA held (at [24]) that

> Existing case law would appear to suggest that *where the company is not in substance an incorporated partnership, such matters as a deadlock or, more generally, members' inability to work in association with one another, may not be relied upon as a ground for winding up*, as the rationale for allowing a winding up on such grounds would be absent (see *Walter Woon* [on Company Law (Sweet & Maxwell Asia, 3rd Ed, 2005)] at para 17.66.
>
> [emphasis added]

249 Having examined the case law on quasi-partnerships and family companies akin to quasi-partnerships, the CoA noted (at [31]) that they were treated differently because whereas "a person who joins a company should accept and work within the framework set out in its memorandum and articles of association", and

> [t]he reason an incorporated partnership is treated somewhat differently is because of the express or implied understanding among the partners before incorporation as to how the new company is to be run or managed and equity will not allow a person who is a party to that understanding to renege on that understanding …

250 Applying the above principles to the present case, as I had found that the Companies in this case were neither quasi-partnerships nor akin to quasi-partnerships, matters such as a deadlock – or more generally, the Sisters' inability to work in association with each other – could not be relied on as a ground for winding up under s 254(1)(*i*).

251 Going further, I would also make it clear that in any event, I did not find that there was in fact deadlock in this case. In the first place, Blossom's and Ivy's descriptions of the state of the Companies were (with respect) very much exaggerated. In particular, their allegation that the "Companies' operations and growth are *crippled*"[267] was demonstrably untrue. For one, TBL has always been consistently profitable, and it has consistently enjoyed nearly full occupancy rates.[268] Even Blossom was obliged to concede in cross-examination that she had no complaints about TBL.[269] In fact, upon further cross-examination, Blossom switched tack and claimed that what she was concerned about in relation to TBL was the "substantial" amount of cash which had been placed in fixed deposits instead of being placed in other investments. This appeared to me to be a rather belated – and glib – shift in position. In any event, saying that TBL's cash was placed in fixed deposits rather than in potentially higher-yield but also higher-risk investments was a completely different thing from saying that the company's "operations and growth [were] crippled".

252 As for CCH, YP and CCM, it was not disputed that these three companies have generated revenue through the years and continue to do so. As

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267 [264] of the Plaintiffs' Closing Submissions.

268 [42] of Julie's AEIC.

269 See transcript of 30 July 2019 p 30 line 18 to p 31 line 19.

defence counsel pointed out, Blossom's and Ivy's dissatisfaction was really with the RV Building: in the main, the decision by Doreen and Julie to shorten the leases for units in the building so that tenants would have vacated the building by the time major remedial and repair works commenced (which decision Blossom and Ivy claimed was taken without their approval), and the corresponding decline in rental revenue for the period.

253 I make the following points. Firstly, the fact that Blossom and Ivy were not consulted on the decision to shorten the individual leases did not signify that the operations of CCM (or of CCH and YP) were "crippled". By 28 July 2016 Blossom had resigned from CCM's employ. Ivy too had announced that she was retiring "from involvement in the Singapore operations"[270] and had expressly told Doreen and Julie not to contact her "[w]ith immediate effect" on "the matters relating to the daily running of the Singapore operations of the four companies".[271] Having deliberately removed themselves from involvement in the "daily running" of the Companies' Singapore operations, they had no basis for complaining if - in their capacity as the remaining working directors of CCM - Doreen and Julie made decisions on the duration of the leases to be entered into for individual units in the RV Building.

254 Indeed, I would also make it clear that from what I could see, Blossom's and Ivy's abrupt departures from CCM in July 2016 were clearly coordinated: they both wrote in on the same day, and their letters contained numerous similarities, right down to the use of the same header ("Without prejudice") and footer ("This letter is considered received and read upon the opening of the

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270 [219] of Julie's AEIC.

271 A1-411.

email or hardcopy"). Even leaving aside the suspicious timing of the company secretary's resignation, it was plain that Blossom's and Ivy's stratagem was to disavow any responsibility for the tedious day-to-day operations of CCM while leaving themselves free – as directors of CCM – to carp and cavil at the decisions made by Doreen and Julie. This is why I have described their dissociation from the daily operations as a deliberate move on their part. Moreover, it did not appear to me that they raised criticisms or objections out of a genuine desire to provide constructive input: rather, it appeared that they were deliberately non-constructive in the various criticisms they raised. This was seen for example in their objections to the decision taken to carry out repairs to individual units in the RV Building and the related decision to shorten leases for these units. Their suggestion that tenants should have remained in the RV Building even as the mandatory remedial works on the spalling concrete were carried out seemed to me not only spurious but irresponsible. The further suggestion that "it's happened before" was admitted by Blossom to be unsupported by any evidence in her own AEIC.[272] Also unsupported by any objective evidence was Ivy's suggestion in cross-examination that the extensive remedial works should have taken a mere three to six months.[273]

255 I reiterate, in short, that I found Blossom's and Ivy's complaints about the lack of consultation to be without merit.

256 Secondly, there was a very good reason why rental revenue for the RV Building had fallen in recent years – and it had nothing to do with Doreen and Julie. The building was old and clearly not in good condition. Over the years,

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272 See transcript of 31 July 2019 p 189 line 1 to p 190 line 6.

273 See transcript of 5 August 2019 p 126 lines 12 to 18.

Julie had highlighted to MCST 325 that an increasing number of units were becoming "non-tenantable" due to wear and tear.[274] That the physical deterioration of the building had reached a critical stage was borne out by the directions issued by the BCA in 2017 for mandatory remedial works. These remedial works concerned primarily extensive repairs to spalling concrete around the building and waterproofing of the roof to address long-standing water seepage problems. As for the individual units in the RV Building, even Blossom – who insisted that "*some*" units were "not so bad" and still "tenantable" – was compelled to concede that the "majority" of units were in a "terrible condition".[275]

257 Ironically, Blossom lamented that the "terrible condition" of most of the units was due to their not having been maintained over the years. If this were true, however, one would have to question what MCST 325 had been doing over the years in terms of its oversight of the building. Moreover, if it were true that most units were in poor condition due to the lack of maintenance over the years, then Blossom and Ivy could hardly have any basis for complaining about the decision to carry out repairs to individual units at the same time the BCA remedial works were being done. Indeed, in cross-examination, Blossom acknowledged that "perhaps" the same decision would have been reached even if all four Sisters had discussed the matter together.[276]

258 The key point, however, was this: rental revenue from the RV Building declined because units could not be rented out while significant remedial and

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274 [273(4)] of Julie's AEIC.

275 See transcript of 31 July 2019 p 180 line 24 to p 181 line 10.

276 See transcript of 31 July 2019 p 195 line 21 to p 196 line 19.

repair works were being done – and not because of anything done by Doreen and Julie to "cripple" CCM's, CCH's and YP's operations and growth. By the time the trial took place, CCM was already beginning to market units in the RV Building; and bearing in mind the prime location of the building, there was no reason why rental revenue should not pick up as units started to be rented out again.

259 Apart from the RV Building, Blossom and Ivy also contended that the Sisters were deadlocked over CCM's accounts. They professed themselves unable to approve these accounts because of Julie's unauthorised salary increment.[277] As a result, the 2016 AGMs were held late and the Companies were penalised by ACRA.[278]

260 I have earlier dealt with the issue of Julie's salary increment. In the context of considering whether there had been "commercial unfairness" sufficient to warrant the invocation of the court's "just and equitable" jurisdiction under s 254(1)(*i*), I found nothing unfair about the payment of the increased salary to Julie. I also found that Blossom was – on more than one occasion – offered the opportunity to return to helm CCM and to put an end to the payment of the increased salary. She refused. Both Blossom and Ivy also rejected Doreen's suggestion that they pass the CCM accounts so as not to delay the AGM, and that the issue of Julie's salary increment be taken up at the next board meeting as an "operational concern".[279] According to them, the salary increment was no mere "operational" issue; and Doreen's suggestion was

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277 [256] of the Plaintiffs' Closing Submissions.

278 [111] of Blossom's AEIC; [104] of Ivy's AEIC.

279 A2-96.

simply a ploy to sweep their "legitimate" concerns about Julie's salary increment "under the carpet".[280]

261 I found Blossom's and Ivy's position to be unreasonable and devoid of merit. As I pointed out earlier, if the payment of the increased salary was really such a critical issue that it transcended operational concerns, I would have expected Blossom to seize the opportunity to return to CCM and to halt these payments. That she refused the opportunity told me that her real concern was not the salary payments: instead, what she and Ivy clearly wanted was to retain some form of leverage over Doreen and Julie, and to keep the pressure on them. This, in my view, was also why they rejected Doreen's suggestion that they pass the CCM accounts first and then discuss the salary issue at the next board meeting. Other than the issue of Julie's salary increment, Blossom and Ivy have never suggested any reason why the CCM accounts could not be approved. As to the salary increment, their complaint was that it had been effected without the prior unanimous approval of the CCM board. However, if this was the case, it had nothing to do with the accuracy of the CCM accounts, and there was no need to hold up the approval of these accounts. They could easily have discussed the lack of board approval at a board meeting (as *per* Doreen's suggestion): there was no question of Doreen or Julie being able to "sweep" the issue "under the carpet" if this was done.

262 In the circumstances, I rejected Blossom's and Ivy's argument that the delay in the approval of the CCM accounts represented further evidence of a deadlock. In my view, the reason given by them for not being able to approve

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280 A2-95.

these accounts made no sense and was plainly trumped up so as to provide them with yet another source of leverage over Doreen and Julie.

263 As for their complaint that the staff of CCM had "turned against" them,[281] they failed to explain how this was indicative of a "deadlock" within the Companies. In the first place, as I noted earlier, even if it were true that the staff resented or feared them, it appeared to me that this was because of the way they had chosen to treat the staff: see for example [10] to [52] of Kim's AEIC. More pertinently, Doreen had already made it known that she and Julie were prepared to leave their positions as working directors if Blossom returned to CCM fulltime. If Blossom had taken up Doreen's offer to return to CCM, therefore, she would have been the sole working director; and she could then have hired new staff if she truly had concerns about the existing staff's willingness to work with her.

264 There were miscellaneous other allegations raised by Blossom and Ivy in relation to their claims of "deadlock". For example, they alleged that Julie had refused to sign cheques. However, apart from their bare assertions, there was no objective evidence of Julie having refused to sign cheques *for no good reason*. Julie herself testified that she would seek clarification from the staff when she came across cheques she had queries about; and if the staff were unable to provide clarification, she would not sign the cheque.[282] This appeared to me to be a reasonable and prudent course of action. Blossom herself had to admit that she too would seek clarification before signing a cheque if she was

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281 [259] of the Plaintiffs' Closing Submissions.

282 [114] of Julie's AEIC.

unsure about the payment to be made.[283] Ironically, the evidence showed that it was Blossom who came up with strange and draconian conditions which had to be met before *she* would agree to sign a cheque: including, for example, stipulating that she would "only sign in the presence of the co-signing director", that "the co-signee signs respectfully", and that the signing be done in the meeting room of the office.[284]

265 It was also alleged that Julie had refused face-to-face meetings. This complaint also did not appear to me to be borne out on the evidence available. Julie had explained that she did not reject face-to-face meetings; she had simply asked the other Sisters to put their positions in writing first, so as to ensure a more focused discussion. In a note to the other Sisters on 27 April 2016[285], for example, Julie had clearly stated:

> … I have no objection to face-to-face meetings to resolve various outstanding matters. However, please refer to point (d) of my letter dated 21 April 2016 where I had explained the preference for prior written communication of your views. Drawing on recent experiences, I still believe that any face-to-face meeting is likely to be better focused and more productive when you have spent time to think through and spell out in writing your position and proposed resolutions for discussion…

266 If Blossom's and Ivy's objective in raising these complaints was to suggest that Julie had prevented the Companies from running smoothly through unreasonable behaviour, I did not find this to be the case.

267 For the reasons set out above, I found Blossom's and Ivy's claims of a "deadlock" within the Companies to be self-serving, disingenuous and

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283 See transcript of 31 July 2019 p 79 line 16 to p 80 line 2.

284 A1-423 and 424.

285 A1-305.

ultimately unsustainable. However, in the event I was wrong in finding no deadlock, it would still not change my eventual decision. This was because I concluded in any event that Blossom and Ivy were not trapped in the Companies. I explain below why I came to this conclusion.

Whether Blossom and Ivy were trapped in the Companies

The governing legal principles

268 To recap: our CoA and our High Court have held in a number of cases that the unfairness required to invoke successfully the court's "just and equitable" jurisdiction under s 254(1)(*i*) "lies in the inability to exit, and not in the impasse between shareholders" (at [51] of the CoA's judgment in *Perennial (Capitol)*). In *Perennial (Capitol)*, the CoA held:

> For completeness, even in situations where the shareholder is being marginalised or shut out from management, or where there is a loss of trust and confidence, it is the notion of being locked into such a situation that is unfair … it therefore follows that in the usual case, having a mechanism for exit negates the unfairness required to justify winding up on the just and equitable ground.

269 In *Ting Shwu Ping v Scanone Pte Ltd and another* [2017] 1 SLR 95 ("*Ting Shwu Ping*"), the CoA reviewed the judgements delivered by Hoffmann J (as he then was) in a series of English cases in the late 1980s and distilled the key points of his reasoning as follows (at [107]):

> While unfairness may be *prima facie* established in the circumstances … the court must still consider whether the presence of an option for the applicant to be bought out of the company at fair value would negate the unfairness. This is especially since the parties are likely to have contemplated that they would have to part ways should the relationship between the partners break down. In many cases, the unfairness lies in requiring the disaffected shareholder to maintain his investment in a company where he has fallen out with the other

> shareholders and/or is being unfairly treated. If so, an option to exit would resolve the unfairness.
>
> In the above situation, the focus of the court's inquiry is likely to be on the term of separation – who should buy who out, and what terms the share buy-out should proceed on.
>
> If the company's articles provide a mechanism by which a shareholder may be bought out, and the other shareholders are willing to purchase the disaffected shareholder's shares under that mechanism, the mechanism in the articles should generally be adopted. This is unless (a) the disaffected shareholder has a legitimate expectation that he is entitled to have his shares valued in some way other than that provided in the articles, or (b) there is bad faith or plain impropriety in the respondents' conduct (e.g. by conduct which has affected the value of the shares), or (c) the articles provide for some arbitrary or artificial method of valuation.
>
> If the applicant has not attempted to invoke the share buy-out mechanism in the company's articles and the auditors have not been asked to certify a fair price, unfairness is unlikely to be established on the facts …

The provisions as to sale or transfer of shares in the Companies' articles of association

270 In the present case, of the four Companies in question, CCM was the only company whose articles provided for a clear mechanism whereby a member could sell his shares. Clauses 28 to 33 of CCM's articles of association provided as follows:[286]

> 28. Shares may be freely transferred by a member or other person entitled to transfer to any existing member selected by the transferor, but save as aforesaid and save as provided by Article 33 hereof, no share shall be transferred to a person who is not a members 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 shares at the fair value.
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> 29. Except where the transfer is made pursuant to Article 33 hereof the person proposing to transfer any shares (hereinafter

[286] pp 228 to 229 of Blossom's AEIC.

called "the proposing transferor") shall give notice in writing (hereinafter called "the transfer notice") to the Company that he desires to transfer the same. Such notice shall specify the sum he fixes as the fair value, and shall constitute the Company his agents for the sale of the share to any member of the Company or person selected as aforementioned at the price so fixed, or at the option of the purchaser, at the fair value to be fixed by the auditor in accordance with these articles. A transfer notice may include several shares, and in such case shall operate as if it were a separate notice in respect of each. The transfer notice shall not be revocable except with the sanction of the directors.

30. If the Company shall within three months after service of a sale notice find a member 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. The Directors shall, with a view to finding a purchasing member, offer any shares comprised in a sale notice to the person 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 a limit time [*sic*] within which such offer if not accepted will be deemed to be declined and the Directors shall make such arrangements as regards the finding of a purchasing member for any shares not accepted by a member to who they shall have been so offered as aforesaid within the time so limited as they shall think just and equitable.

31. In case any difference arises between the proposing transferor 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, and such sum shall be deemed to be the fair value, and in so certifying the auditor shall be considered to be acting as an expert and not as an arbitrator; accordingly Ordinance No. 12 of 1950 (Arbitration) shall not apply.

32. 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 ands 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.
>
> 33. If the Directors shall not, within the space of three months after service of a sale notice, find a purchasing member of 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 the 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 to sell and transfer the share comprised in his sale notice (or such of them as shall not have been sold to purchasing member) to any person and at any price.

271 In respect of CCH, YP and TBL, their articles of association did not provide for a similar share buy-out mechanism. Instead, their articles simply provided that a member could transfer any of his shares to another member; further, that transfer of shares to a non-member would require the approval of the Board of Directors. Save for a few minor differences in the drafting, the relevant provisions of these three companies' articles are quite similarly drafted. I set out below as an example clause 25 of CCH's articles:[287]

> Any share may be transferred by a member or other person entitled to transfer to any member selected by the transferor, and any share of a deceased member may be transferred by his executors or administrators to such person or persons, if more than one, jointly, who shall be entitled to the same under the will or upon the intestacy of the deceased member, but save as aforesaid, no share shall be transferred to a person who is not a member, without the approval of the Board of Directors.

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287 p 129 of Blossom's AEIC.

Open to Blossom and Ivy to sell their shares to Doreen and/or Julie – and to third parties

272 In finding that Blossom and Ivy were not trapped in the Companies, I took into account firstly the fact that under the Companies' articles, Blossom and Julie clearly could sell their shares to Doreen and / or Julie at any time; *and* it was also open to them to sell their shares to third parties with the approval of the relevant company's Board of Directors.

273 In this connection, I noted that there was an attempt by Blossom during the trial to suggest that the Sisters were somehow prohibited by a letter of undertaking from selling their shares to third parties.[288] This was a letter of undertaking which Doreen drafted and which the Sisters signed on 15 June 2005.[289]

274 I rejected Blossom's suggestion as being baseless. It should be borne in mind that Doreen had drafted the letter without the benefit of legal advice. Whilst Doreen as a layperson might not have been cognisant of the need for certain caveats or qualifications to be made express, what mattered was how the Sisters themselves understood the letter of undertaking to operate. In this respect, it should be noted that Ivy – as Blossom's co-plaintiff – was very clear that she understood the letter of undertaking to permit the sale of their shares to third parties if consent was obtained from the other Sisters. In her AEIC (at [14]), Ivy's description of the undertaking which the Sisters had agreed was as follows:

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288 See transcript of 30 July 2019 p 84 lines 7 to 11, p 85 lines 12 to 13.

289 A1-19.

> … [the] Sisters also agreed and undertook amongst themselves that they would not sell their shares to third parties, without consent from the other Sisters.

275 Even Blossom's claim about the prohibitive effect of the letter of undertaking was something which was raised belatedly in cross-examination: she admitted that she "might have missed it out" in her AEIC. Indeed, it appeared to me to be something Blossom had *invented* in the course of the trial. This was because she had been at pains in her AEIC to emphasise repeatedly how she and Ivy were trapped in the Companies: I did not find it believable that she would have "missed out" something as pertinent as the purported prohibition which the letter of undertaking imposed on sales to third parties.

276 Furthermore, Blossom's own evidence contradicted her claims that she had genuinely believed the letter of undertaking to prohibit any sale to third parties. In her AEIC (at [275]), she had stated that she and Ivy could not find any buyer for their shares. This necessarily implied that the two of them had tried – albeit unsuccessfully – to find third-party buyers for their shares; and in cross-examination, she alleged that they had "checked with [their] auditors, and they have come back and said no, 50 per cent, no one – they couldn't find anyone interested".[290]

277 I must add that although Blossom and Ivy sought to argue that nobody would have been interested in buying 50% of the shareholding in companies where the management was "deadlocked", I did not find this argument persuasive. I have already explained why I rejected their argument that there was management deadlock in the Companies. I also found the argument that nobody would have been interested in a 50% shareholding wholly speculative,

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290 See transcript of 1 August 2019 p 199 lines 9 to 13.

since no evidence was provided in Blossom's and Ivy's AEICs to show that they had actually approached third parties. Given that all four Companies were indisputably viable going concerns and that they owned fully paid-up properties in good locations, it did not seem to me at all obvious that "nobody" would have found the prospect of a 50% shareholding in the Companies remotely attractive.

278 It appeared to me that Blossom and Ivy were conscious of the speculative nature of their argument: in cross-examination, both suddenly purported to give details of efforts they had made to find third-party buyers for their shares. I did not find these belated claims credible. No objective evidence was produced by either of them to substantiate these claims. In particular, no evidence – whether in the form of emails or text messages – was put forward to substantiate their claims as to having checked with the auditors (*per* Blossom) and with a "real estate agent" (*per* Ivy). Indeed, given the rather startling claim by Ivy that she had managed through a real estate agent to find a third party "willing to buy 100 per cent" of the shares in the Companies, it was unbelievable that she should apparently have failed to retain any evidence of the offer and/or to communicate it to any of the other Sisters.

279 As for Ivy's assertion that she had asked NLA's then managing partner Lee Kian Eng Jerry ("Jerry") to look for a third-party buyer for her shares and Blossom's, this was emphatically refuted by Jerry, who testified that Blossom and Ivy had never asked him to find third-party buyers for their shares.[291] Instead, what he had done was to try to help them find a buyer for "their River Valley properties". I believed Jerry's testimony on this subject. This portion of his testimony was not seriously challenged. There was no sensible reason in

[291] See transcript of 6 August 2019 p 88 lines 5 to 17.

any event why he should have wanted to lie about what it was he had tried to help Blossom and Ivy find purchasers for.

280 On the evidence adduced, it was clear to me that Blossom and Ivy had never actually made any efforts to find third-party buyers for their shares. These were claims they came up with belatedly at trial to try to bolster their story about being "trapped" in the Companies.

Multiple opportunities for Blossom and Ivy to exit from the Companies

281 On the evidence adduced, it was also clear that Blossom and Ivy actually had multiple opportunities to exit from the Companies, albeit in stages rather than all at once - but that they rejected these opportunities unreasonably as part of a deliberate strategy to pressure Doreen and Julie into purchasing all their shares in the Companies in a single transaction. It was also clear that even when Doreen and Julie had caved in and offered to buy all their shares in the Companies in a single transaction, Blossom and Ivy continued to make arbitrary – and ultimately exorbitant – demands which caused the deal to fall through. In other words, Blossom and Ivy blocked their own exit from the Companies by their unreasonable conduct. I explain below my reasons for arriving at this conclusion.

282 At the outset, I should make it clear that I did not accept Blossom's and Ivy's argument that the only viable option for their exit from the Companies lay in their being able to exit *all four Companies at one go*. There was no sensible reason why this should be so. Assuming they managed to exit only some of the Companies first, there was nothing to stop them from proceeding to negotiate their exit from the remaining Companies. In particular, since much of the conflict between the Sisters related to their differing views over what to do about

the condition of the RV Building, and since Blossom and Ivy were also disgruntled at the lack of dividends from CCH and YP, it made sense for them to exit these two companies first if they could, before taking stock of what to do next with their shares in TBL and CCM – and negotiating their exit from these companies if necessary.

The board meeting of 10 February 2017 and the correspondence thereafter

283 One of the opportunities for Blossom and Ivy to exit at least two of the four Companies arose at the board meetings of the Companies on 10 February 2017. It was Blossom's and Ivy's case that they had offered to sell Doreen and Julie all their shares in all four Companies at this meeting. Doreen's and Julie's case was that at this meeting, Blossom and Ivy had only offered to sell their shares in CCH and YP – and that was what Doreen and Julie offered to buy in their letter via email of 14 March 2017.[292] On balance, having examined the evidence available, I accepted Doreen's and Julie's version of events. In the first place, although Blossom and Ivy claimed that their personalised comments on the minutes of the meetings showed that they had offered to sell all their shares in the four Companies, I found these personalised comments to be self-serving and unreliable, having been penned by none other than Blossom and Ivy themselves *after* the meetings.

284 Blossom's and Ivy's self-penned comments about having offered to sell *all* their shares did not appear in any case to jibe with what was recorded by the company secretary in the minutes of meetings. The company secretary had recorded in the minutes of the CCH and YP board meetings that "Ivy and Blossom will also consider selling out their shares at the valuation done by

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[292] A2-10 to 11.

Jerry".[293] Tellingly, no such note was recorded by the company secretary in the minutes of the TBL and the CCM minutes of meetings.[294] If Blossom and Ivy had indeed expressed their intention to sell their TBL and CCM shares at the Valuation Price stated in the 2016 Valuation Reports, there was no reason why the company secretary should have failed to record such expression of intent in the minutes for these two companies, when they had done so for CCH and YP. Blossom's explanation that the omission in the TBL minutes must have been due to her not being a TBL director was both glib and nonsensical. There was no sensible reason why the company secretary would have deliberately omitted any mention of the intended sale of her TBL shares on the ground that she was no longer a director of TBL. Moreover, Ivy was certainly still a director of TBL at the time; and no mention was made in the TBL minutes of any offer by Ivy to sell her TBL shares.

285 A perusal of the 14 March 2017 letter from Doreen and Julie also showed that at that stage, they were clearly offering to buy Blossom's and Ivy's shares in CCH and YP – and not all their shares in all four Companies. Doreen and Julie addressed the letter to CCH and YP; and in the letter, they berated Blossom and Ivy for having – in their capacity as council members of MCST 325 (the MCST for the RV Building) – made decisions "not in accordance with government guidelines regarding the maintenance of the building and hence risking tenants' and public safety". They also noted that Blossom and Ivy had refused to spend "so much money on repairs as the building is old" and had

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293 See e.g. G-113 under item 3.1 of the CCH minutes of meeting and G-97 under item 3.1 of the YP minutes of meeting.

294 See e.g. G 152 to 156 for the TBL minutes of meeting and G-55 to 60 for the CCM minutes of meeting.

refused "to make good defects in the building". The letter ended with the following paragraph:

> *Given that you have no interests in the businesses of the companies and have expressed at the last Board of Directors Meetings on 10 February 2017 that you are ready to sell your shares, we have indicated that we can buy your shares* in order to continue our Father's legacy. Alternatively, we have said that you can sell to other parties. Ultimately, this will end your harassment of the staff and us.
>
> [emphasis added]

286 In cross-examination, Blossom conceded that the reference to "the building" in this letter could only mean the RV Building, while the reference to "the companies" could only mean CCH and YP.[295] Her insistence that nevertheless Doreen's and Julie's offer in the final paragraph to buy her shares and Ivy's was an offer to buy all their shares in all four Companies appeared to me to fly in the face of the evidence. In particular, her narrative would make nonsense of the clear statement in the final paragraph that "[g]iven that [Blossom and Ivy had] no interests in the businesses of [CCH and YP] and [had] expressed at the last Board of Directors Meetings on 10 February 2017 that [they were] ready to sell [their] shares", Doreen and Julie had "indicated that [they] [could] buy [Blossom's and Ivy's] shares".

287 Blossom's and Ivy's response to the 14 March 2017 letter was instructive. On 20 March 2017,[296] Blossom and Ivy replied to the 14 March 2017 to state the following":

> We refer to the above-mentioned letter send via the common email account of ccm2012@singnet.com.sg on 14 March 2017 when Blossom was away. We noted:

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295 See transcript of 1 August 2019 p 64 line 12 to p 66 line 14.

296 A2-13 to 14.

> 1. The letter was not signed.
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> 2. It contained repetitions of matters already addressed, discussed and deemed closed from your non-reply; and contradictory content to the facts communicated to both of you via emails and physical meetings.
>
> 3, The puzzling inclusion of Doreen who had communicated to be out of town till end of April 2017 and therefore, not a witness to many incidents.
>
> 4. The inconsistent reference to one or two directors.
>
> In view of the above, until the letter is duly signed and the authenticity verified, it will be ignored. Meanwhile, please conduct an investigation on this letter and give a report to the Board of Directors before 24 March 2017. Such an act of un-authenticated and factually inconsistent communication is not to be repeated as it is deem a misuse of the company's resources and therefore, counter-productive to the business arrangements.

288 In gist, in their response to the 14 March 2017 letter, Blossom and Ivy professed ignorance of the identity of its senders, expressed doubts about its authenticity, and demanded an "investigation" into the "misuse" of company resources allegedly committed in the sending of the letter.

289 In my view, the allegations in Blossom's and Ivy's response were another pack of trumped-up charges. There was no way they could have genuinely believed the letter to have come from anyone other than Doreen and Julie. Indeed, some of the remarks in their reply of 20 March 2017 were clearly directed at Doreen and Julie – for example, the remark about "facts communicated to both of you via emails and physical meetings". When cross-examined, Blossom admitted that when she received the 14 March 2017 letter, *she knew that it came from Doreen and Julie*.[297] As for Ivy, she attempted to suggest – out of the blue and with no apparent basis – that *Alan* could have sent

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[297] See transcript of 1 August 2019 p 69 lines 4 to 7.

the 14 March 2017 letter. When pressed further, she had to admit sheepishly that this was pure speculation on her part.[298]

290 In short, it was plain that Blossom and Ivy knew the 14 March 2017 letter came from Doreen and Julie. Having regard to my findings at [283] to [286] above, it was also plain that they knew Doreen and Julie were offering to buy their shares in CCH and YP. Why then did they pretend not to know whether the letter was "authentic" instead of taking up this offer? In my view, this was a regrettable example of greed and calculation rearing their ugly heads. Once they saw that Doreen and Julie were willing to buy their shares (and willing to buy these shares in spite of – or perhaps, *because of* – their exasperation with Blossom's and Ivy's behaviour in these two companies), Blossom and Ivy decided to shift the goal posts so as to try to get Doreen and Julie to buy their shares in all four Companies.

291 This was in fact Doreen's and Julie's narrative. I should add that quite apart from the evidence, this narrative made much more sense simply as a matter of logic. Blossom and Ivy claimed that Doreen and Julie kept "stringing them along" and applying pressure to make them cave in and sell all their shares at the "heavily discounted" Valuation Price. This made no sense because *according to Blossom's and Ivy's own case, as at 10 February 2017, they were already prepared to sell all their shares in the Companies at the Valuation Price*.[299] Based on their own case, therefore, Doreen and Julie would have been able to get what they wanted as at 10 February 2017: there was no need to "string" the other two along at all. Quite apart from being refuted by the

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298 See transcript of 5 August 2019 p 184 lines 9 to 15.

299 See e.g. [243] of Blossom's AEIC.

evidence available, Blossom's and Ivy's narrative was internally inconsistent. Their behaviour post February – March 2017 further corroborated Doreen's and Julie's narrative.

The meeting on 30 June 2017 and the negotiations thereafter

292 On 30 June 2017, at a meeting between the Sisters, Blossom announced that she was willing to sell her shares in all the Companies at the Valuation Price but Ivy said she no longer wished to sell at the Valuation Price.[300] Doreen asked that they both write in to set out their position in writing. Blossom and Ivy did so on 17 July 2017.[301] In that letter, they stated that they were willing to sell their shares in the four Companies – but instead of stating their proposed sale price, they asked that Doreen and Julie state the price they would be prepared to pay.

293 Again, Blossom's and Ivy's behaviour appeared to me to be highly unreasonable. It was clear that the previous discussion in February – March 2017 had been about the sale of shares *at the Valuation Price*; and it was also clear that Doreen and Julie had been willing to buy at the Valuation Price. This was the case whether one accepted Blossom's and Ivy's contention that they had wanted to sell their shares in all the Companies in February 21017, or one accepted Doreen's and Julie's contention that the offer had only been to sell the CCH and YP shares. Even as at 30 June 2017, Blossom was still willing to sell at the Valuation Price, although Ivy was not. In the circumstances, as the prospective sellers, it would have been entirely reasonable for Blossom and Ivy to state the price they were looking for, if indeed both of them were no longer

300 [252] of Blossom's AEIC.

301 A2-112.

willing to consider the Valuation Price. In this connection, it should be remembered that while the articles of association of CCH, YP and TBL did not provide for a mechanism for determining the price to be adopted in a share buy-out between members, CCM's articles specifically provided for the prospective seller to name the price he regarded as the fair value of his shares: see clause 29 of CCM's articles.

294 When pressed in cross-examination, Blossom claimed – somewhat confoundingly – that she had not actually changed her mind after the 30 June 2017 meeting about selling at the Valuation Price.[302] It was pointed out to her that if she had truly been sincere about selling at the Valuation Price, she would have said so. Blossom's reply to this[303] was revealing:

> Yes, but this one was just merely asking them if they have a different price in mind that we can work towards in parting ways.

295 To my mind, what Blossom was really saying amounted to this: she was still prepared to sell at the Valuation Price but rather than make this known, she wanted to get Doreen and Julie to name the price they were willing to pay so that she (and presumably Ivy) would have room to manoeuvre in negotiating a higher price.

296 On 7 August 2017,[304] Doreen and Julie wrote to Blossom and Ivy pointing out that they had "kept changing [their] minds" previously, and asking them to clarify how they intended to proceed and at what price they intended to

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302 See transcript of 1 August 2019 p 104 lines 11 to 17.

303 See transcript of 1 August 2019 p 104 lines 23 to 25.

304 A2-114.

sell their shares. In my view, Doreen's and Julie's request was a reasonable one. The observation that Blossom and Ivy had kept changing their minds was warranted. After having declared their willingness to sell their shares on 17 February 2017, they had rebuffed Doreen's and Julie's offer on 14 March 2017. Further, despite having been willing on 17 February 2017 to sell at the Valuation Price, by 30 June 2017 Ivy had changed her tune and was claiming she would "no more" sell at the Valuation Price.

297 Notably, Doreen's and Julie's letter of 7 August 2017 stated clearly once again that if no agreement could be reached on their purchase of Blossom's and Ivy's shares, the latter could "also consider selling to other parties".

298 If Blossom and Ivy had genuinely wanted to sell their shares and to exit the Companies, they could – and should – simply have stated their proposed sale price. In doing so, they would have been able to confirm whether Doreen and Julie were willing to meet the proposed sale price; and if there was no agreement on the price, they could then have reviewed their options – which included the possibility of selling to other parties. Instead, they chose to respond on 17 August 2017 by accusing Doreen and Julie of having no genuine intention to buy their shares, and even declaring that there was "nothing more" for them to say.[305]

299 This accusation was plainly unfounded, because even after this abrupt rebuff, Doreen and Julie continued to engage Blossom and Ivy. On 25 August 2017, Doreen wrote to them again noting that much of their unhappiness appeared to centre on CCM and the issue of Julie's salary, and indicating that

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305 A2-130.

she and Julie were willing to purchase their shares in CCM. In their reply on 5 September 2017, Blossom and Ivy dismissed this offer, claiming there was "no point in continuing this correspondence any further". In so doing, they claimed that it was because Doreen and Ivy had "refused[d] to confirm" their willingness to "buy out [their] entire shareholding in all the four companies" and "further refused to name [their] price". On 7 December 2017, Blossom and Ivy filed the applications to wind up all four Companies.

300 I found Blossom's and Ivy's behaviour – as described above – entirely unreasonable. As I have already noted, since they were the prospective sellers and since earlier discussions about the sale of shares had already focused on the Valuation Price as the purchase price, Blossom and Ivy could and should have made known the price at which they wished to sell, instead of acting coy and then playing the blame game with Doreen and Julie. Their reaction to Doreen's email of 25 August 2017 was also very much exaggerated. Whilst Doreen's email stated an offer to buy the CCM shares, the rest of her email made it clear that the offer to buy the CCM shares was intended to address directly Blossom's and Ivy's complaints about the management of CCM and in particular about the increase in Julie's salary from CCM. There was nothing in Doreen's email which suggested that she and Julie were closing the door on the possibility of buying the shares in the other companies. It was Blossom and Doreen who closed the door themselves by declaring an end to the correspondence and filing the winding up applications shortly thereafter.

The decision to file for winding up of the Companies

301 Blossom's and Doreen's behaviour – in breaking off correspondence and then filing for winding up – must also be seen in the context of their earlier behaviour. I have earlier explained why I found that their abrupt resignations

on 28 July 2016 were really a deliberate ploy to disavow any responsibility for the daily operations of CCM while leaving themselves free (as directors) to attack the decisions made by Doreen and Julie. Of particular vehemence were their attacks on the decisions regarding repairs at the RV Building and the shortening of leases, and on the decision to increase Julie's salary from CCM (the latter being a focal point for their refusal to approve CCM's 2016 accounts). Seen in context, this course of conduct had an underlying agenda. The attacks on Doreen's and Julie's decisions as working directors of CCM constituted a source of constant pressure and aggravation – which Blossom and Ivy knew would lead to their caving in to demands sooner or later.

302 Thus, for example, after Blossom and Ivy had persisted in refusing to pass CCM's 2016 accounts, Doreen's and Julie's increasing desperation to resolve this issue – and to forestall further sanctions from ACRA – could be seen in their offer to buy the other two's CCM shares on 7 August 2017,[306] and subsequently in Doreen's proposal on 15 September 2017 to wind up CCM.[307] Both attempts were rebuffed by Blossom and Ivy, who then proceeded to raise the stakes – and correspondingly, the pressure on Doreen and Julie – by applying to wind up all four Companies.

303 That these pressure tactics worked could be seen in the fact that even after the filing of the winding up applications and right up to the trial, Doreen and Julie continued to engage Blossom and Ivy (through their respective counsel) in negotiations to purchase their shares. Indeed, not only did Doreen and Julie continue to engage Blossom and Ivy in negotiations, they made a

306 A2-114.

307 A2-145.

number of significant concessions in the course of these negotiations. In my view, the parties' inability ultimately to close the deal for the share purchase was entirely due to Blossom's and Ivy's continued, unreasonable demands. I explain below why I came to this conclusion.

The negotiations post commencement of winding up proceedings

304 It should be noted at the outset that by the time of the trial, parties were agreed on what the purchase price to be paid by Doreen and Julie should be. Both Blossom and Ivy agreed in cross-examination that the purchase price for all their shares was to be based on the Valuation Price, with the total purchase price agreed at S$63,150,836.39.[308] I should add at this point that the existence of such an agreement made it all the more difficult to appreciate the purpose of their counsel's unexpected attack in cross-examination on Jerry's impartiality and his valuation methodology. I will deal with this point shortly. For now, it should be noted that with the purchase price being agreed among the parties, Doreen and Julie had given way on a number of issues which had been stumbling blocks during earlier stages of negotiations.

305 Thus, for example, insofar as the payment of additional conveyance duty ("ACD") was concerned, Doreen and Julie had earlier requested that Blossom and Ivy pay for this item – which request they had then moderated to a request that the other two pay 50% of the ACD. Doreen's and Julie's rationale for asking that the other two bear part of the ACD was that ACD had been introduced on 11 March 2017 at 18% and had subsequently been raised to 34% on 6 July 2018. As such, if Blossom and Ivy had accepted

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[308] See transcript of 31 July 2019 p 222 lines 2 to 6 and transcript of 2 August 2019 p 94 line 24 to p 95 line 3.

their offer to buy at least the CCH and YP on 14 March 2017, they would not have had to pay ACD at the considerably higher rate of 34%. To my mind, Doreen's and Julie's request was not unreasonable. After all, Blossom and Ivy had declared their willingness to sell their CCH and YP shares on 10 February 2017 (as documented in the CCH and YP minutes of meetings); and Doreen and Julie had responded with an offer to buy these shares on 14 March 2017: as noted earlier, the fact that the sale was not consummated at that stage was entirely due to Blossom's and Ivy's delay tactics in pretending to doubt the authenticity of the 14 March 2017 letter. Be that as it may, when Blossom and Ivy refused to pay any part of the ACD, Doreen and Julie dropped their request and agreed that they would pay the entire ACD amount – which would come to a very large sum at 34%. Under cross-examination, Blossom and Ivy were obliged to concede that this represented a compromise by Doreen and Julie.[309]

306 Blossom sought to qualify this concession by denying that it was a compromise of any significance. The key point I would highlight, however, is this: Blossom and Ivy have repeatedly accused Doreen and Julie of "putting up a false pretence" and having no real intention to allow them to exit the Companies. If this were indeed true, then it would make no sense for Doreen and Julie to continue to engage them in negotiations *and* to make numerous concessions in these negotiations. If Doreen and Julie had been determined to thwart Blossom's and Ivy's efforts to exit the Companies, they had no reason to concede any disputed items or to try to move towards a settlement agreement. Instead, if they had harboured such a mischievous agenda, it would have been

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[309] See transcript of 1 August 2019 p 170 line 20 to p 171 line 9 and transcript of 2 August 2019 p 92 line 15 to p 93 line 2.

far more consistent with that agenda to dig in their heels and to force the other two to litigate every issue to the bitter end.

307 As another example, this willingness to compromise and to continue negotiations could be seen in Doreen's conduct *vis-à-vis* the extra TBL share. It will be recalled that Doreen had been extremely upset at Blossom's and Ivy's accusations regarding her retention of the extra TBL share. Blossom's and Ivy's proposal – that a clause be included in any settlement agreement to the effect that they relinquished any right to the extra share – was really adding insult to injury since any such clause would imply that Blossom and Ivy had some sort of right to (or interest in) the extra share in the first place. Even then, Doreen had continued with the negotiations over this point. At one stage, having already backed down from her original proposal that Blossom and Ivy expressly acknowledge in the settlement agreement her ownership of the extra share, she suggested that they acknowledge her ownership by way of a side letter – and not in the settlement agreement itself. When Blossom and Ivy refused to budge on the matter, Doreen went several steps further: she simply agreed not to pursue the allegation regarding the extra TBL share. This effectively laid to rest an issue which had been a source of persistent contention between the Sisters. Even Blossom had to admit that this was a significant act of compromise by Doreen which removed one of the obstacles to the finalisation of the settlement agreement.[310] Again, if Doreen and Julie had truly been intent on thwarting Blossom's and Ivy's exit from the Companies, there would have been no need for any such compromise: they would have just forced the other two to litigate such contested issues.

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310 See transcript of 1 August 2019 p 151 lines 10 to 15.

Doreen's and Julie's last offer prior to the commencement of the trial

308 Doreen's and Julie's last offer prior to the commencement of the trial on 30 July 2019 was contained in their lawyers' letters of 15 July 2019[311] and 27 July 2019.[312] The key terms of the offer are summarised at [535] of the Defendants' closing submissions. In gist, the total purchase price remained agreed between the parties at S$63,150,836.39, and all other terms were agreed, save for five issues. Having examined the evidence and considered the parties' testimony at trial, I concluded that Blossom and Ivy were entirely unreasonable in insisting on having their way on these outstanding five issues. I explain below my reasons for coming to this conclusion.

Blossom's and Ivy's demand for a 3-month completion period

309 Insofar as completion of the sale and purchase of all the shares were concerned, Doreen and Julie had proposed a completion period of 6 months. This was shorter than the completion periods they had previous proposed (of up to a year, *etc*). However, Blossom and Ivy were adamant that the completion period could only be 3 months.

310 In my view, Blossom's and Ivy's insistence on a 3-month completion period was not only unrealistic: it was extremely unreasonable and ultimately spiteful. It must be remembered that the total purchase price for the shares came to more than S$63 million. This was a substantial sum by any objective standards. It was hardly surprising that Doreen and Julie would require some time to arrange for the necessary funds from the banks. Blossom's claim that

311 K-9 to 11.

312 K-18 to 20.

financing could be "done for less than three months" was one which she was unable to substantiate with any evidence; and she conceded that she had "limited knowledge" in this area.

311 When asked why the completion period had to be 3 months and no longer, neither Blossom nor Ivy was able to give a coherent explanation: they simply ended up insisting that they wanted Doreen and Julie to produce "compelling reasons" (*per* Blossom) and "concrete evidence" (*per* Ivy) that a period of more than 3 months was necessary. This was baffling, since it had already been explained to them by defence counsel that 6 months was the period that Doreen and Julie estimated to be required safely to complete all necessary procedures for obtaining financing. It was also explained (and not disputed) that Doreen and Julie already had letters of offer that they had worked on with the banks;[313] in other words, this was not a case where Doreen and Julie had sat back, done nothing, and then pulled the 6-month timeline out of thin air. Moreover, at the trial, Doreen and Julie had offered a further compromise by proposing that while the completion period be set at 6 months, they would endeavour to complete earlier.[314] This was clear proof of their sincerity in trying to reach a settlement for the sale and purchase of the shares. I found it most regrettable that Blossom and Ivy rejected even this further compromise, again with no coherent explanations. This was a vivid example of how they created their own unnecessary obstacles to the exit they claimed they were eager to achieve from the Companies.

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313 See transcript of 15 August 2019 p 87 lines 21 to 24.

314 [6] of K-18.

Blossom's and Ivy's demand for a non-refundable 10% deposit

312 Blossom's and Ivy's insistence on a strict 3-month completion period was accompanied by the demand that Doreen and Julie pay them a non-refundable deposit equivalent to 10% of the purchase price. Again, this was in my view an unreasonable demand. As defence counsel pointed out, this was not a situation where there were competing potential buyers for the shares and where Doreen and Julie needed to put up earnest money to secure an option to purchase. Blossom and Ivy themselves had proclaimed that they had no other buyers for the shares. This was also not a situation where the buyers of the shares were strangers to them: there was no prospect of Doreen and/or Julie running away and evading their contractual obligations once a settlement agreement was inked. Indeed, as defence counsel pointed out in cross-examination, once the settlement agreement was signed, Blossom and Doreen would have the protection of various contractual remedies should Doreen and Julie breach their obligations. With respect, therefore, there was no reason at all for Blossom and Ivy to insist doggedly on a non-refundable 10% deposit.

313 To make matters worse, Ivy added to the list of demands by asserting in cross-examination that not only should Doreen and Julie give a non-refundable deposit, they also needed to give a "letter of intent" before a settlement agreement could be signed.[315] This was a demand which had hitherto never been put forward and which Ivy could provide no cogent explanation for when asked. With respect, the lack of compunction which Blossom and Ivy showed about producing new demands in the midst of trial showed that they were simply determined – and perhaps spitefully so – to make things as difficult for Doreen

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315 See transcript of 2 August 2019 p 107 lines 24 to p 109 line 22.

and Julie as possible. Their inability to reach an agreement on the sale of their shares and to exit the Companies was due to their own behaviour.

Blossom's and Ivy's demand for information on the details of any nominees

314 A further example of Blossom's and Ivy's apparent determination to make things difficult for Doreen and Julie was their persistent demand that the other two must confirm not only the names of any nominees to be used in the purchase but also the number of shares such nominees would purchase in each company. They went so far as to make it known through their lawyers that in the absence of such disclosure, they would not agree to sell their shares.[316]

315 Again, this demand was in my view totally unreasonable. If Blossom's and Ivy's objective was to exit the Companies, it should have made no difference to them whether Doreen and Julie would be using nominees to buy some or even all of the shares. Even if Doreen and Julie had articulated a wish to "keep Father's legacy" by buying the shares,[317] such personal aspirations or motives were really irrelevant to Blossom's and Ivy's own desire to exit the Companies. Indeed, whilst I did not believe their claims that they had looked unsuccessfully for third-party buyers, the fact that they were ready to put forward such claims showed that they had no reservations about selling their shares to third-party buyers if any could be found.

316 In the course of cross-examination, Blossom and Ivy suddenly claimed that they needed to know the details of any nominees to be used because they were morally obliged not to sell their shares to a specific individual whom they

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316 B-15, Item 1 of table at Annex A.

317 See transcript of 1 August 2019 p 135 lines 21 to 24.

described as Father's "arch enemy". This was an astonishing claim since it had never been mentioned in their AEICs or even in any correspondence. What was even more astonishing was that despite Doreen and Julie assuring them – through counsel and in open court[318] – that any nominee to be used would not be this "arch enemy", Blossom and Ivy refused to compromise on the demand for details of any nominees. In fact, when faced with the assurance from Doreen and Julie, Ivy did an abrupt about-face: she pivoted to claiming instead that she needed to know the details of any nominees because she had concerns about "money-laundering". This was another claim that also came out of the blue. When asked, Ivy was unable to explain the basis of her concerns about "money-laundering", but this did not stop her from insisting that[319]

> … if it's money-laundering, I may not get my money, and I've already signed away my shares.

317 Since she had raised the alleged fear of losing her shares even if she did not "get [her] money", it was explained to Ivy that she was actually in no such danger because she would not be forced to complete the sale of her shares if she did not "get [her] money". Again, she refused to be placated, claiming that it would be "like back to square one". She then lamented that she really did "not want to be with them [Doreen and Julie] anymore".[320] This lament, to my mind, merely exposed the insincerity of Ivy's – and also Blossom's – position. If they were so intent on parting ways with Doreen and Julie that they had been prepared to look for third-party buyers for their shares, what difference did it make to them whether or not Doreen and Julie used nominees for their

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318 See transcript of 6 August 2019 p 10 lines 7 to 22.

319 See transcript of 6 August 2019 p 11 lines 3 to 7.

320 See transcript of 6 August 2019 p 12 lines 3 to 8.

purchase? Plainly, it could make no difference; and their insistence on the provision of nominee details as a deal-breaker item was yet another example of how they created their own unnecessary obstacles to an exit from the Companies.

Blossom's and Ivy's demand that dividends be paid for the periods both before and after 31 December 2015

318 Next, while parties had agreed that the Companies would declare and pay to its shareholders dividends for the period 1 January 2016 to 30 June 2019, Blossom and Ivy demanded that dividends should also be paid to them from the Companies' retained earnings for the entire period prior to 31 December 2015.

319 This was another unreasonable demand. *All four Sisters had already agreed that the purchase price of the shares would be based on the Valuation Price documented in the 2016 Valuation Reports. As I alluded to earlier, Blossom and Ivy confirmed their agreement in cross-examination.* It was not disputed that the 2016 Valuation Reports valued the shares as at 31 December 2015.[321] In cross-examination, defence counsel took Ivy through a detailed elaboration of the process by which the value per share was derived.[322] In gist, in order to derive the value per share of one of the Companies, one of the factors taken into the computation was the amount of that company's capital and reserves as at 31 December 2015. The figure for the company's capital and reserves consisted of two components: one would be the share capital, the other would be the retained earnings as at 31 December 2015. The Valuation Price would thus have factored in the Companies' retained earnings as at 31

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321 See e.g. J-192.

322 See transcript of 2 August 2019 p 112 line 5 to p 136 line 14.

December 2015. In the circumstances, I agreed with the defence that Blossom's and Ivy's insistence on being paid dividends from the Companies' retained earnings prior to 31 December 2015 constituted an unreasonable – indeed, unprincipled – position.

320 In this connection, I noted that in cross-examination, Ivy suddenly stated that she was "now" challenging the 2016 Valuation Reports because she wanted to "[ask] for… an explanation of why" the Companies' retained earnings should be discounted at 50%.[323] This belated "challenge" was in my view without merit. Firstly, it was never raised in Ivy's AEIC. She herself conceded that she had not raised such a challenge "before". Secondly, not only was this "challenge" never mentioned in Ivy's or for that matter Blossom's AEIC, neither of them produced any evidence to discredit this (or any other) part of the valuation methodology in the 2016 Valuation Reports. In fact, when Jerry was called as a witness, he was expressly reminded by counsel at the start of cross-examination that he was merely a witness of fact and not an expert witness.[324] Thirdly, and in any event, it was clearly explained to Ivy during cross-examination[325] that the retained earnings were not "discounted at 50%" per se: what happened was that each company's capital and reserves – which included its retained earnings as at 31 December 2015 – were factored into the computation of the value per share before a discount was applied.

321 For the reasons explained above, I found that Blossom's and Ivy's demand for payment of dividends from the retained earnings prior to 31

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323 See transcript of 2 August 2019 p 120 line 7 to p 121 line 2.

324 See transcript of 6 August 2019 p 86 lines 2 to 7.

325 See transcript of 2 August 2019 p 138 line 16 to p 141 line 7.

December 2015 was another example of how they had put up their own obstacles to the share sale which would have permitted their exit from the Companies.

Blossom's and Ivy's rejection of the proposed setting aside of S$150,000 by CCH

322 Finally, Doreen and Julie had proposed that CCH set aside S$150,000 for the legal costs and contingency funds which might be needed any liabilities arising out of DC Suit 3773. It will be recalled that this was the suit filed by one of the tenants in the RV Building. Given that the suit was brought against CCH and that its outcome was still uncertain, the proposal that CCH set aside some funds to meet any liabilities arising from the suit appeared to me eminently reasonable. Blossom and Ivy did not put forward any sensible reason for rejecting this proposal. With respect, their position appeared to be another regrettable instance of a mean-spirited desire to make things as difficult for Doreen and Julie as possible.

323 To sum up, therefore, Blossom's and Ivy's contention that they were "trapped" in the Companies was completely without merit. The evidence before me showed that even after their filing of the winding up applications, Doreen and Julie were still prepared to engage in negotiations in an effort settle the purchase of Blossom's and Ivy's shares. It was open to Blossom and Ivy to conclude the sale of their shares and to bring about the allegedly longed-for exit from the Companies; and it was due to their own unreasonable and often spiteful behaviour that they were unable to do so.

The attacks on the 2016 Valuation Reports and on Jerry Lee

324 In the course of the trial, despite having agreed to the Valuation Price being used as the basis of the purchase price for their shares and despite confirming their agreement in cross-examination, Blossom and Ivy decided – belatedly and without forewarning – to attack both the valuation methodology and Jerry Lee's impartiality. It is necessary for me to put on record my disapprobation of these tactics. The objections and challenges to the 2016 Valuation Report – and to Jerry's impartiality – were never pleaded. Nor were they elucidated in Blossom's and Ivy's AEICs. They also chose not to call any expert witness to testify on any alleged flaws in the valuation methodology employed in the 2016 Valuation Reports. Indeed, as I mentioned earlier, their counsel took pains to point out to Jerry at the start of cross-examination that he was only a witness of fact and not an independent expert.

325 Given the serious nature of the challenges which then emerged in counsel's cross-examination, and in particular the attacks on Jerry's professional integrity, the relevant allegations should have been pleaded so that the defence would not be subject to litigation by ambush. With respect, by choosing to keep these serious allegations "in reserve" until Jerry was on the witness stand, Blossom and Ivy displayed a lack of good faith. Indeed, having agreed to the use of the Valuation Price as the basis for the purchase price, it was an audacious act of duplicity for them suddenly to declare – through their counsel during Jerry's cross-examination – that the 2016 Valuation Report should not be relied on "partly because of the circumstances and also because it is out of date".[326] From defence counsel's reaction, it was clear that this volte-

[326] See transcript of 6 August 2019 p 182 lines 16 to 24.

face came as a bolt from the blue. I certainly did not think the complete absence of any forewarning to the defence could be excused simply by the assertion that Blossom and Ivy had prayed in their statement of claim for the alternative remedy of a share buy-out on "terms to the satisfaction of the court":[327] there was nothing in the pleaded prayers for relief which would have alerted the defence that the 2016 Valuation Reports – and Jerry's impartiality – were being challenged. To put it bluntly, there was no excuse for these guerilla tactics.

326 For these reasons alone, I would have had no hesitation in dismissing the challenges to the 2016 Valuation Reports and to Jerry's impartiality. However, given that counsel sought to bring up these challenges several times in Jerry's cross-examination, I would make it clear that I found no merit in these challenges in any event.

327 Briefly, in the course of cross-examination, counsel for Blossom and Ivy apparently sought to impugn the application of the discount by Jerry in the 2016 Valuation Reports by pointing out that it was a different rate of discount from that applied in an earlier report he had produced on 23 September 2013.[328] This 2013 valuation report had been produced for the purpose of facilitating the Sisters' purchase of Mother's shares. Counsel's point appeared to be that Jerry had applied a lower rate of discount in the 2013 valuation report, as compared to the rate applied in the 2016 report. Jerry explained, however, that there was a sound reason for the difference: basically, the rates of discount applied for shares of listed companies in 2013 were a different set of figures from those

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327 p 91 of the Statement of Claim.

328 See transcript of 6 August 2019 p 168 line 1 to p 172 line 12.

applied for shares of listed companies in 2016.[329] This appeared to me to be a reasonable explanation. It was not suggested to Jerry that the figures used in the 2016 Valuation Reports were fake or made-up in some way. Moreover, since Blossom and Ivy had elected not to adduce an expert witness to give an opinion on the 2016 Valuation Reports, they had no evidential basis for challenging the figures used by Jerry in arriving at the rate of discount in the 2016 reports – or for that matter, the size of the discount itself.

328 As for the attack on Jerry's impartiality, this was equally baseless. In brief, during Jerry's cross-examination, counsel for Blossom and Ivy brought up the fact that he had a longstanding friendship with Doreen, and that she had lent him money at one point for which she had sued him for repayment.[330] The insinuation appeared to be that Jerry was therefore beholden to Doreen and biased in her favour when he produced the 2016 Valuation Report. Counsel initially suggested to Jerry that Doreen had told him the valuation report was to be produced for the purposes of a buy-out, that Doreen was "*seeking to fix a number*" for the shares to be bought "at a discount",[331] and that he had "*conspired*" with Doreen to "produce a depressed valuation that would lock in a lower value for the companies for a buy-out".[332] However, when it was highlighted that these allegations had never been pleaded, he sought instead to couch them, not as an accusation of bias and conspiracy, but as a "suggestion"

329 See transcript of 6 August 2019 p 169 line 10 to p 172 line 12.

330 See transcript of 6 August 2019 p 154 line 13 to p 156 line 6.

331 See transcript of 6 August 2019 p 163 lines 5 to 8.

332 See transcript of 6 August 2019 p 162 lines 18 to 21.

that Jerry had given "a much larger discount" in the 2016 report "compared to 2013 … in the context of what Doreen had communicated to him".[333]

329 I found this suggestion to be baseless. Jerry himself readily agreed that Doreen had told him the 2016 Valuation Reports was for a sale and purchase of shares. He also recalled that one or some of the other Sisters had told him the same thing (although he could not recall whom exactly). Clearly, he did not view Doreen's statement to him about a sale and purchase of shares as a secret to be kept between them. He also explained that he had not informed the other Sisters of the loan from Doreen because he had viewed his personal indebtedness to Doreen as being separate from the professional engagement of NLA for the drafting of the Valuation Reports; and in any case, he had not been swayed by Doreen in drafting the reports.

330 The fact that Jerry had known Doreen for many years was also no secret: this was something which would have been known to Blossom and Ivy at the point they obtained the 2016 Valuation Reports. Furthermore, the existence of a longstanding relationship in itself would not be sufficient reason to reject the 2016 Valuation Reports. In *Ting Shwu Ping*, for example, the CoA held (at [116]) that the existence of a longstanding relationship between one of the parties and the company auditor who had certified a certain "fair value" for the shares was not a reason *per se* to reject the value given by the auditor.

331 In addition, the suit which Doreen filed against Jerry in August 2017 and the repayment of a personal loan – and the default judgement she obtained against him in November 2017 – would have been a matter of public record. In

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[333] See transcript of 6 August 2019 p 173 line 24 to p 174 line 5.

other words, Blossom and Ivy had ample opportunity at all material times to make known their distrust of Jerry's position vis-à-vis the drafting of the reports and/or their rejection of the reports. They never did so, which suggested that they had no issue with Jerry's professionalism and integrity. In cross-examination, Doreen did not appear at all evasive about her longstanding relationship with Jerry and the loan she had given him. On the contrary, she was forthright in revealing that she had sued Jerry in relation to the loan so that she could preserve her claim against his estate in the event of his death. This was because she had been told of his ill health following a stroke and had been advised to take action before he passed on.

332 Lastly, although counsel for Blossom and Ivy contended in cross-examination that the 2016 Valuation Reports were "out of date" and that "now the company prices have moved", no evidence was produced by either Blossom or Ivy of the alleged current "company prices". Again, they had ample opportunity to obtain an independent expert opinion to substantiate the contention that the Valuation Price was "out of date" – but they chose not to do so. In fact, as I have already noted, they chose not to say anything about this in their pleadings, and even confirmed during the trial that parties had agreed on a purchase price based on the 2016 Valuation Price.

333 For the reasons explained, I found Blossom's and Doreen's challenge to the 2016 Valuation Reports – and their attacks on Jerry's impartiality – to be devoid of merit.

Whether Doreen and Julie "reneged on the Share Swap"

334 Lastly, I note that in the Statement of Claim, it was pleaded that Doreen and Julie had "reneged on the Share Swap".[334] This was amplified in Blossom's AEIC: she claimed that a share swap had been "contemplated by the Sisters" and that it was "considered by all to be a fair solution".[335] In cross-examination, however, Blossom admitted that there was no evidence that Doreen and Julie had agreed to any share swap: what the Sisters had agreed to do was to "explore a share swap and other options, not just a share swap".[336] On further cross-examination, Blossom also had to admit that there was no agreement reached between the Sisters as to who would end up with which Company's shares in the event of a share swap.[337] Eventually she agreed with defence counsel that it was not true to say that Doreen and Julie had *reneged on a share swap.*

Whether it would be just and equitable in the circumstances to wind up the Companies

335 Blossom's and Ivy's application to wind up the Companies was premised on their contention that the Companies were run as a quasi-partnership based on the mutual trust and confidence between the Sisters (and Mother); that the relationship of trust and confidence as between the Sisters had broken down irretrievably due to Doreen's and Julie's actions; that the Companies were deadlocked; and that they were trapped in the Companies. Having found against them on all these issues, I should also make it clear that I saw no other reason to warrant the winding up of the Companies.

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334 p 86 of the Setting Down Bundle.

335 [238] of Blossom's AEIC.

336 See transcript of 1 August 2019 p 54 line 13 to p 55 line 4.

337 See transcript of 1 August 2019 p 57 line 23 to p 58 line 10.

336 It was not disputed that all four Companies were viable going concerns; that the properties owned by CCH, YP and TBL were all fully paid-up and unencumbered; and that each of the company possessed total equity ranging from S$500,000 (in CCM's case) to nearly S$16 million (in TBL's case). As I noted earlier, whilst CCH's, YP's and CCM's revenue had dipped in the last few years due to the remedial and repair works being conducted within the RV Building, it was not disputed that as at the time of the trial, CCM had already started marketing the building to prospective tenants; and given its popular location (on River Valley Road), there appeared to be no reason to disbelieve Doreen's and Julie's assertions that CCH and YP would be able to resume generating rental revenue once all works were completed.[338]

337 Having regard to the circumstances, and given the drastic effects of a winding up order, I was unable to conclude that the winding up of the Companies would be "the best solution for all the parties involved".

338 I have earlier also noted that where the attempt to invoke s 254(1)(*i*) is made in the case of a company that is a going concern, the court may look to see if there is a motive behind the application: *per* the High Court in *Poh Leong Soon* (at [53]). From the evidence available, it appeared to me that Blossom and Ivy did not really want the winding up of the Companies. Rather, as I alluded to earlier, their filing of the winding up applications was simply another of the tactics they deployed to ratchet up the pressure on Doreen and Julie. I have explained earlier my finding that on 10 February 2017, they had indicated their willingness to sell their CCH and YP shares – but when Doreen and Julie offered to buy these shares on 14 March 2017, their letter was met with baffling

[338] See e.g. [166] of Doreen's AEIC and [277] of Julie's AEIC.

accusations about lack of authentication and misuse of company resources. This then led to further negotiations for the sale and purchase of all of Blossom's and Ivy's shares in the four Companies. These further negotiations again came to naught when Blossom and Ivy (who had earlier been willing to sell their CCH and YP shares at the Valuation Price) refused to name their price and insisted that the other two state a price first. It was Blossom and Ivy who called off the further negotiations and filed the winding up applications. Even so, Doreen and Julie continued to engage them in negotiations for the purchase of their shares; and with the agreement on the Valuation Price as the basis for the purchase price, parties had appeared to move closer to conclusion of the sale and purchase – until Blossom and Ivy dropped another bombshell at trial by challenging the Valuation Price and arguing that the 2016 Valuation Reports should not be relied on.

339 In short, from the manner in which Blossom and Ivy had conducted themselves throughout the pre-trial negotiations up till the trial itself, it was plain that having agreed to use the Valuation Price as the basis of the share purchase price, they nevertheless hoped to get a better deal by using the litigation process to get an order for a higher buy-out price. This would explain, in particular, the startling attacks launched during the trial on the 2016 Valuation Reports and on Jerry Lee's impartiality. The existence of such a collateral purpose constituted another factor which – considered in the round with the other relevant matters I have dealt with – persuaded me that it would not be "just and equitable" to grant the application for winding up: see *Poh Leong Soon* at [27] (citing *Ting Shwu Ping* at [77] and *Perennial (Capitol)* at [38]).

340 Given my findings above and given that the test for ordering a winding up under s 254(1)(*i*) CA could not be satisfied by Blossom and Ivy, there was

also no basis for me to make any order under s 254(2A) for the buy-out of their shares: see *Poh Leong Soon* at [28].

Conclusion

341 Having regard to the reasoning and findings I have set out in these written grounds, I dismissed Blossom's and Ivy's action in Suit 925 of 2018. As costs should follow the event, I ordered that Blossom and Ivy were to pay the costs of the action to the Defendants. I directed that the quantum of these costs would be fixed by me if parties were unable to come to an agreement within 14 days of my decision. As none of the parties has written in to ask that I fix costs, it would appear that costs have been agreed.

Mavis Chionh Sze Chyi
Judicial Commissioner

Foo Maw Shen and Mark Jerome Seah Wei Hsien (Dentons Rodyk & Davidson LLP) for the plaintiffs;
Sim Chong and Joan Tee (Sim Chong LLC) (instructed), Singh Ranjit and Ravleen Kaur Khaira (Francis Khoo & Lim) for the 1st and 2nd defendants.