IN THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

[1984] SGHC 13

OS 78/1983

Between

Peh Kwee Yong

… Plaintiff

And

Sinar Co (Pte) Ltd

… Defendant

GROUNDS OF DECISION

Land — Conveyance

Version No 1: 11 Sep 2026 (01:05 hrs)

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Peh Kwee Yong v Sinar Co (Pte) Ltd

[1984] SGHC 13

OS 78/1983
Lai Kew Chai J
16 May 1984

1 By an agreement in writing concluded on 4 December 1982 the plaintiff agreed to buy from the defendants a piece of land known as Lot 3563 in Mukim IV, Ulu Pandan, District of Tanglin, Singapore together with No 9 First Avenue, Singapore at the price of $1,860,000. The land had an area of 1,197.7 sq m or approximately 12,900 sq ft. Completion was to have taken place within eight weeks of the date of the agreement.

2 Clause 6 of the agreement provided as follows:

> *The property is sold subject to your solicitors receiving satisfactory answers to all requisitions sent to or to be sent by them to the various Government departments and in the event of any of the answers to such requisition being found unsatisfactory to you or your solicitors you may annul the sale in which event the 10% deposit paid by you shall forthwith be refunded to you without any interest or deductions whatsoever and neither party shall have any claims or demands against the other for costs damages or compensation whatsoever each party to pay his own legal costs in respect of the abortive sale and purchase. Provided if such replies to such requisitions are not received by the date of completion as aforesaid, then such requisitions shall be deemed to be satisfactory.*

3 On 16 December 1982 the plaintiff`s solicitors wrote to the defendants` solicitors alleging that, according to the Interpretation Plan, the land was

affected by road widening which would reduce the area. He also alleged that in the course of the negotiations, it was fraudulently represented to him that the land had an area of `over 14,000 square feet`. The letter went on to ask if the defendants would consider a reduction of the price and, if so, the `new price` was to be indicated so that the plaintiff could consider whether he would proceed with the purchase or not.

4 On 4 January 1983 the plaintiff by notice in writing purported to annul the sale and purchase agreement under cl 6 on the ground that the reply to his requisition was unsatisfactory within the meaning of that clause. The defendants refused to accept the notice of annulment. Instead, they served on the plaintiff the usual 21 day notice in writing to complete the purchase.

5 At the hearing before me, it has been ascertained that the area which could be affected by any road widening was only in the order of 30.6 sq m or 329 sq ft. In configuration, the area which might be affected would be a very narrow strip which would abut the First Avenue, Singapore. The First Avenue was a fifth category road. All allegations of any fraudulent misrepresentation were abandoned at the hearing before me.

6 The sole question for my determination is whether the answers to the plaintiff`s requisition relating to the possible road widening of the land were unsatisfactory within the meaning of cl 6 of the agreement.

7 It was submitted on behalf of the plaintiff that the words in cl 6 of the agreement are wider than those which were agreed to in two other reported cases, viz ***Tatlien Hardware Pte Ltd v Tan & Anor*** [1980-1981] SLR 472 and ***Teo Hong Choo v Chin Kiang Industries Pte Ltd*** [1982-1983] SLR 464 . Relying on the words ` ... being found unsatisfactory ***to you (the plaintiff)***

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or your solicitors *...*` (the emphasis, the brackets and the words within the brackets are mine), which do not appear in either of the two cases cited, counsel for the plaintiff made the robust submission that it was the intention of the parties before me that this clause meant that whether an answer to any requisition is unsatisfactory or otherwise is left entirely to the subjective view of the plaintiff. In my judgment, this construction of the clause is incorrect. It could not have been the intention of the parties that the sale and purchase agreement could be annulled by the plaintiff at his whim and fancy. A true and natural construction of the clause must place it on an objective and reasonable basis. In my view, only those answers to requisitions which are unsatisfactory to a reasonably determined purchaser could entitle such a purchaser to call off the agreement. And whether a particular answer is unsatisfactory to a reasonably determined purchaser within the meaning of the clause is, in each case, a question of fact. It seems to me that this approach provides the legal basis on which my decision here and the two decisions of the High Court, already referred, may be understood.

8 As the area which might be affected by road widening in this case is so inconsequential, I have no doubt in my mind and I find that no reasonably determined purchaser could regard it as giving him the right under cl 6 to annul the sale and purchase agreement. Accordingly, I answer the plaintiff`s originating Summons by refusing to declare that the plaintiff was entitled to annul the sale and purchase agreement. I also refuse to declare that the defendants` notice to complete was null and void.

9 In the circumstances, the summons is dismissed plaintiff`s with costs.

10 ***Summons dismissed.***

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Lai Kew Chai J

Ng Lian Poh (Ng Lian & Co) for the plaintiff
Teo Guan Teck (Teo Guan Teck) for the defendents

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