IN THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

[1992] SGHC 257

Suit No 2361 of 1990, Summons-in-Chambers No 3595 of 1991

Between

Keppel Finance Limited

… *Plaintiff*

And

Funesaki International Pte Ltd
Teo Ter Ah
Rajamanickam s/o Kurusamy
Kian Hua Hardware Pte Ltd

… *Defendant*

GROUNDS OF DECISION

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

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Keppel Finance Limited v Funesaki International Pte Ltd and Others

[1992] SGHC 257

Suit No 2361 of 1990, Summons-in-Chambers No 3595 of 1991
Lai Kew Chai J
29 September 1992

1 **Judgment:**

2 Coram: Lai Kew Chai J

3 **GROUNDS OF JUDGMENT**

4 By an order of 21 May 91 the High Court ordered that the 4th defendant be given conditional leave to defend this action; that the 4th defendants were to furnish a Banker's guarantee in favour of the plaintiffs in the sum of $85,522.58 within 21 days from 21 May 91, failing which, the plaintiffs were at liberty to enter judgment in default thereof; and that the 4th defendants do pay the plaintiffs costs fixed at $2,000.

5 By summons-in-chambers filed on 11 Jun 91 the 4th defendants applied for an order that the time limited for the 4th defendants to furnish a Banker's guarantee to the plaintiffs be extended by a period of 14 days from the date of the order to be made pursuant to the application. I dismissed the application with costs.

6 In support of the 4th defendants' application, their company director, Peh Choon Seng, filed an affidavit. He claimed that a draft guarantee was sent to the plaintiffs' solicitors and it was received as approved on 8 Jun 91, which was a Saturday. There was no mention at all as to when the 4th defendants' solicitors had sent the draft guarantee, which obviously was a most material fact. Glossing over this material fact, the deponent went on to say that on Monday, he went personally to his bankers who told him that "it would take about 5 to 6 days to issue the guarantee." He further claimed that the 4th defendants had provided adequate and sufficient security to their bankers and he had no doubt that the guarantee would be issued. These assertions stood out as mere assertions and they were singularly bereft of any particulars as to the security provided to their bankers nor any written confirmation from the bankers that a guarantee was forthcoming.

7 On the other hand, these facts pointed to the conclusion that delaying tactics were used. It was shown by the plaintiffs that the 4th defendants only sent the draft guarantee for the approval of plaintiffs' solicitors only on 6 Jun 91, after a lapse of 17 days from 21 May 91. The plaintiffs' solicitors returned the draft duly amended and approved within 24 hours. The solicitors of the 4th defendants only reverted to the plaintiffs' solicitors on 12 Jun 91, a day after the expiry of the limit of 21 days. No reason was offered why the 4th defendants did not immediately apply for an extension of time upon being told, as they alleged, on 9 Jun 91 by their bankers that it would take 5-6 days to issue the guarantee. In fact, the plaintiffs' solicitors were not served with a copy of the application until 12 Jun 91, by which time the plaintiffs' solicitors had already obtained interlocutory judgment in default of the 4th defendants' furnishing the banker's guarantee. What was even more perplexing was the fact that on 18 Jun 91 the solicitors of the 4th defendants forwarded another draft guarantee, which

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

was in terms different from the one approved earlier, to the plaintiffs' solicitors for approval. It was undisputed that as of 23 July 91, the 4th defendants had not paid the plaintiffs the cost of $2,000, which fact had to be considered in the light of the claim that sufficient and adequate security was given to the bankers of the 4th defendants to issue the bank guarantee. The solvency of the 4th defendants was in grave doubt.

8 There were no merits whatsoever upon which this court could exercise its discretion to extend the time limit and, for the reasons set out above, it refused to do so.

Lai Kew Chai J

Mak Kok Weng (Mak & Partners) for the Fourth defendants/applicants
Irene Wu (Michael Khoo & B B Ong) for the plaintiffs

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