IN THE GENERAL DIVISION OF
THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

[2025] SGHC 149

Suit No 364 of 2022

Between

(1) Park Hotel Management Pte Ltd (in liquidation)
(2) Aw Eng Hai
(3) Kon Yin Tong

… *Plaintiffs*

And

(1) Law Ching Hung
(2) Park Hotel Group Management Pte Ltd
(3) Good Movement Holdings Limited
(4) Sg. Inst. Of Hospitality Pte Ltd

… *Defendants*

JUDGMENT

[Companies — Directors — Duties]
[Insolvency Law — Avoidance of transactions — Transactions at an undervalue]
[Insolvency Law — Avoidance of transactions — Unfair preferences]
[Tort — Unlawful means conspiracy]
[Trusts — Accessory liability — Dishonest assistance]
[Trusts — Accessory liability — Knowing receipt]

TABLE OF CONTENTS

Park Hotel Management Pte Ltd (in liquidation) and others
v
Law Ching Hung and others

[2025] SGHC 149

General Division of the High Court — Suit No 364 of 2022
Hri Kumar Nair J
11–14, 18–20, 25–28 February, 4–7 March, 2 May, 21 June 2025

6 August 2025 Judgment reserved.

Hri Kumar Nair J:

Introduction

1 The law imposes on directors a duty to act in the best interests of the company, such interests encompassing those of its different stakeholders. However, when the company is in a parlous financial state, the interests of the company's creditors come to the fore: see *Foo Kian Beng v OP3 International Pte Ltd (in liquidation)* 2024 1 SLR 361 ("*Foo Kian Beng*"). In that scenario, directors often face difficult, and sometimes conflicting, choices – to try to manage the company out of its financial difficulties or accept its fate and protect or preserve the value of its assets for its stakeholders, especially its creditors.

2 Whatever dilemmas a director may face, one rule is sacrosanct – a director must *always* act in good faith and *never* place his or her personal interests above those of the company or its stakeholders. This case was an

egregious instance of a director who did the opposite of what the law demands. When his company was in financial peril, he transferred its viable assets and businesses (effectively) to himself at a gross undervalue and manipulated the books of the company to eliminate receivables owed by him and his entities, leaving the creditors with nothing.

Parties

3 Park Hotel Management Pte Ltd ("PHMPL"), a company incorporated in Singapore,[1] was placed in liquidation on 2 July 2021.[2] The second and third plaintiffs are the liquidators of PHMPL.[3]

4 The first defendant, Mr Law Ching Hung ("Mr Law") was at all material times the sole shareholder and director of PHMPL.[4]

5 The second defendant, Park Hotel Group Management Pte Ltd ("PHGM"), was incorporated in Singapore in 2017.[5] It was formerly known as "Park Baobab Pte Ltd".[6] PHGM's sole director is Ms Tan Shin Hui ("Ms Tan"), Mr Law's wife.[7] It is owned by the third defendant, Good Movement Holdings Limited ("GMHL").[8]

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1 Law Ching Hung's 1st Affidavit of Evidence-in-Chief ("LCH1") at para 5.

2 LCH1 at para 5.

3 Aw Eng Hai's 1st Affidavit of Evidence-in-Chief ("AEH1") at para 1.

4 LCH1 at para 5.

5 Tan Shin Hui's 1st Affidavit of Evidence-in-Chief ("TSH1") at para 6.

6 TSH1 at para 6.

7 TSH1 at paras 1, 4.

8 TSH1 at para 6.

6 GMHL is a company incorporated in the British Virgin Islands.[9] Mr Law is the sole shareholder and director of GMHL.[10]

7 The fourth defendant, SG Inst. Of Hospitality Pte Ltd ("SIOHPL"), was incorporated in Singapore on 4 March 2021.[11] It is also owned by GMHL,[12] and its sole director is Ms Juliana Soh ("Ms Soh").[13]

8 In short, PHGM, GMHL and SIOHPL, which I will collectively refer to as the "Defendant Companies", are directly or indirectly owned and controlled by Mr Law.

9 Although not a party, one of the central actors in this dispute was Ms Tang Buck Kiaw ("Ms Tang"), the Financial Controller of PHMPL and, later, PHGM.

Facts

The Park Hotel Group

10 PHMPL was an international hotel operator headquartered in Singapore. Prior to March 2021, it owned, *inter alia*:[14]

(a) hotel brands "Grand Park", "Park Hotel" and "Destination", amongst others;

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9 LCH1 at para 8.

10 LCH1 at para 8.

11 Juliana Soh's Affidavit of Evidence-in-Chief ("JS") at SKMJ-1.

12 JS at para 4.

13 JS at para 1.

14 AEH1 at paras 12–13.

(b) at least seven sole proprietorships or trading names and 135 registered trademarks across 16 jurisdictions; and

(c) various hotel management agreements ("HMAs"), license agreements ("LAs") and technical service agreements ("TSAs") in respect of its hotel management business for hotels in Singapore and the Asia-Pacific region.

11 PHMPL had two wholly owned subsidiaries, Park Hotel CQ Pte Ltd ("PHCQ") and Grand Park OR Pte Ltd ("GPOR"):[15]

(a) PHCQ was the operator of the Park Hotel Clarke Quay in Singapore, which was leased ("PHCQ Lease") from the Trustee of Ascendas Hospitality Real Estate Investment Trust ("ART").[16]

(b) GPOR was the operator of the Grand Park Orchard hotel in Singapore, which was leased ("GPOR Lease") from New Park Property Limited ("NPP").[17]

Mr Law was a director of both PHCQ and GPOR until 16 March 2021.[18]

12 PHMPL furnished ART and NPP each a guarantee and indemnity to secure the liabilities of PHCQ and GPOR under their respective leases ("Corporate Guarantees").[19]

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15 AEH1 at para 13(4).

16 Beh Siew Kim's Affidavit of Evidence-in-Chief ("BSK") at para 3.

17 AEH1 at para 13(4).

18 Notes of Evidence ("NE") on 13 February 2025 ("NE 13 February") at pp 23–24.

19 3AB393–394; 3AB254–256.

13 Apart from its hotel management business, PHMPL:

(a) owned Yan Pte Ltd, which operated a restaurant known as "YAN" and a bar known as "Smoke & Mirrors", both formerly located at the National Gallery in Singapore;[20] and

(b) operated a business training hospitality staff under the trade name "Singapore Institute of Hospitality" ("SIH").[21]

14 I refer to the entire business of PHMPL as the "Park Hotel Group" hereinafter.

The events leading up to February 2021

15 As a result of the COVID-19 outbreak, Singapore shut its borders on 23 March 2020. In 2020, visitor arrivals fell sharply and dining-in was prohibited during the implementation of the Circuit Breaker measures in Singapore. The tourism, hospitality and F&B industries suffered greatly. The Park Hotel Group was no exception. Crucially, PHCQ and GPOR failed to make payments due under their respective leases.

16 On 25 February 2020, Mr Law wrote to ART and NPP to request a revision of the rent and other charges payable under the PHCQ Lease and GPOR Lease respectively, highlighting, amongst other things, the declining hotel occupancy rates and higher costs to implement safety measures on account of the pandemic.[22]

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20 LCH1 at para 30.

21 LCH1 at para 30.

22 60AB112–114.

17 NPP rejected Mr Law's requests.[23] PHCQ and ART arrived at a tentative compromise to defer half of PHCQ's monthly rent for three months, but no agreement eventually materialised.[24]

18 On 21 April 2020, PHCQ and GPOR applied under the COVID-19 (Temporary Measures) Act 2020 ("COVID-19 Act") for temporary relief from their contractual obligations under their respective leases.[25] In the applications, Mr Law stated that PHCQ and GPOR were unable to pay rent from March and April 2020 respectively and that they had experienced a "huge negative cash-flow" since February 2020.[26]

19 Both applications were successful – relief was granted to PHCQ and GPOR but only until 19 November 2020.[27] GPOR and PHCQ were required to resume full payment of rent and other charges from 1 December 2020, as well as pay monthly instalments for the arrears up to 19 November 2020 under the Statutory Repayment Scheme ("SRS"). They were also required to top up their security deposits in accordance with the terms of the leases.[28]

20 PHCQ and GPOR neither paid the rent due nor the arrears. On 9 December 2020, PHCQ and GPOR again applied for temporary relief under the COVID-19 Act on the basis that their respective leases were "tourism-related contract(s)".[29] This was despite the advice from their lawyers, Tan Kok Quan

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23 60AB115, 151–152.

24 60AB144–145.

25 86AB19, 27.

26 86AB19, 27.

27 61AB294.

28 61AB293.

29 AEH1 at Tabs 82, 88.

Partnership ("TKQP"), that these applications were unlikely to succeed (which proved to be the case as these applications were rejected on 2 March 2021).[30]

21 PHCQ and GPOR were therefore in default of their obligations.[31] In fact:

(a) GPOR ceased to pay rent and other charges to NPP from *April 2020*, causing NPP to draw down a total of S$6,985,726.62 from the security deposit between April 2020 and January 2021;[32] and

(b) PHCQ ceased to pay rent and other charges to ART from *March 2020*[33] – although it paid the SRS instalments to ART from December 2020 to March 2021, even those payments ceased in April 2021 and the rental arrears from September to November 2020 remained outstanding.[34]

22 According to PHCQ's and GPOR's draft financial statements for the financial year ending 31 December 2020, they were both in a net liability position: (a) PHCQ had net current liabilities of S$18,964,276 and net total liabilities of S$4,654,826; and (b) GPOR had net current liabilities of S$15,666,721 and net total liabilities of S$11,569,730.[35]

23 On 20 February 2021, NPP issued a letter of demand to GPOR for the sum of S$1,431,042.56 ("20 February Demand").[36] This triggered immediate

30 61AB584–585; 66AB545, 547.

31 68AB689, 66AB329.

32 66AB330.

33 69AB15.

34 AEH1 at para 157; 69AB426–428.

35 74AB593, 626.

36 66AB325–329.

action from Mr Law. Two days later, he wrote to Ms Tang: "Sounds like we have to proceed with the restructuring" ("22 February E-mail").[37] That "restructuring" was the genesis of these proceedings.

The "restructuring"

24 The restructuring (as Mr Law called it) was in essence a plan to:

(a) move PHMPL's revenue generating assets to the Defendant Companies, *ie*, to himself;

(b) eliminate all liabilities owed to PHMPL by him and entities owned by him; and

(c) leave PHMPL a shell carrying only substantial liabilities.

25 Mr Law embarked on the restructuring knowing that PHMPL was facing financial extinction with no hope of relief or rehabilitation. The evidence established that Mr Law orchestrated the restructuring with Ms Tang as his trusted aide.

26 The intricacies of the plan were laid bare when PHGM was ordered to give discovery of Microsoft Outlook accounts (transferred from PHMPL) for the period up to 8 March 2021, an application which Mr Law and PHGM resisted despite their obvious relevance and materiality.[38] The exchanges between Mr Law and Ms Tang in particular evidence their concern and belief that the Corporate Guarantees would be called on and enforcement action by

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37 66AB350.

38 Law Ching Hung's 2nd Affidavit dated 1 November 2022 at paras 35–38; Tan Shin Hui's 2nd Affidavit dated 1 November 2022 at paras 28–31.

PHMPL's creditors was imminent. They also expose how PHMPL's books were manipulated to create a false timeline in relation to the transfer of PHMPL's monies and assets.

The Agreements

27 The first part of the restructuring was PHMPL's disposal of its assets by way of four written agreements, namely (a) the Asset and Share Transfer Agreement ("ASTA") with PHGM; (b) the Framework Agreement with GMHL, (c) the Business Transfer Agreement ("BTA") with SIOHPL (all dated 8 March 2021); and (d) the Trademark Assignment Agreement with PHGM ("TMAA") dated 23 March 2021 (collectively, "Agreements").

28 Under the ASTA, PHMPL agreed to transfer to PHGM:[39]

(a) for the consideration of S$2,700,000, the "Transferring Assets":

(i) 12 HMAs, three TMAs and two LAs (collectively, "Contracts");

(ii) records, business names, business information, intellectual property ("IP") rights, information and technology ("IT") systems, and the benefit of insurance policies and business claims;

(b) the entire issued share capital of Park Hotel Affiliates Pte Ltd ("PHA") for S$1; and

[39] AEH1 at paras 32–39.

(c) 990 ordinary shares (99% of the issued share capital) of Park Hotel Management (Maldives) Pvt Ltd ("Park Hotel Maldives"), the hotel manager of the Grand Park Kodhipparu hotel, for US$39,600.

29 Under the Framework Agreement, PHMPL agreed to transfer to GMHL:[40]

(a) 500,000 ordinary shares (the entire issued share capital) of Yan Pte Ltd, for S$500,000; and

(b) 10 ordinary shares (the remaining 1% of the issued share capital) of Park Hotel Maldives, for US$400.

30 Under the BTA, PHMPL agreed to transfer to SIOHPL, for the consideration of S$200,000:[41]

(a) all businesses carried on by PHMPL under SIH; and

(b) all of the fixed and current assets owned by PHMPL for the purposes of SIH's business.

31 Under the TMAA, PHMPL agreed to assign to PHGM 135 trademarks for the consideration of S$1.[42]

32 The effect of the Agreements was that PHMPL's assets, save for PCHQ and GPOR, were transferred to the Defendant Companies for a total sum of

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40 AEH1 at paras 66–67.

41 AEH1 at paras 76–77.

42 AEH1 at paras 40–41.

S$3,400,002 and US$40,000. However, as will be explained, Mr Law and Ms Tang arranged it such that PHMPL did not even receive these sums.

33 The second part of the plan was to cause PHMPL to declare and back-date substantial dividends in Mr Law's favour and to effect a series of transfers and set-offs in PHMPL's books, most of which were also back-dated, to eliminate his and his entities' liabilities to PHMPL. This is discussed below at [56]–[70].

34 I first elaborate on the restructuring.

Disposal of PHMPL's assets and businesses to the Defendant Companies

35 In carrying out the restructuring, it is evident that (a) Mr Law and Ms Tang acted with urgency; and (b) Mr Law was intimately involved in, and driving, the process.

36 Almost immediately after receiving the 22 February E-mail, Ms Tang responded, "Who can I talk to [in order] to get this started *quickly*" [emphasis added].[43] On the *same day*, Mr Law prepared a chart setting out the new structure of the business.[44]

37 The next day, *ie*, 23 February 2021, Mr Law appointed lawyers from Bryan Cave Leighton Paisner LLP ("BCLP") to prepare the relevant agreements to dispose of PHMPL's assets.[45] He informed BCLP of the Corporate Guarantees and the "need to ensure the restructuring exercise will shield [the

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43 66AB350.

44 66AB356–357.

45 66AB436.

new] setup from any [third-party] claims on [PHMPL]".[46] Mr Law instructed BCLP to "target [1 March 2021] as the effective date".[47]

38 On 1 March 2021, even before the Framework Agreement had been signed, Mr Law procured PHMPL to transfer its shares in Yan Pte Ltd to GMHL.[48] Mr Law's evidence was that he signed the transfer form and left it to his team to insert the date.[49] Ms Tang's explanation that the early transfer of Yan Pte Ltd was for "accounting" reasons was hollow, and certainly did not explain why it could not wait the execution of the Framework Agreement.[50] Mr Law and Ms Tang evidently did not require the Framework Agreement to be signed, or even its terms finalised, before effecting the transfer.

39 Mr Law discussed potential options for the group structure with Ms Tang, *eg*, to set up a separate company to hold PHMPL's trademarks and IP.[51] He ultimately decided on the companies that would be part of the new group structure, and the name changes for the companies.[52]

40 Importantly, Mr Law decided on the assets to be transferred to the Defendant Companies. On 2 March 2021, Ms Tang furnished a list of PHMPL's assets and businesses from which Mr Law selected for transfer.[53] In particular,

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46 66AB370.

47 66AB370.

48 AEH1 at Tab 20.

49 NE 13 February at pp 105–106.

50 NE on 27 February 2025 ("NE 27 February") at p 20.

51 66AB358–361.

52 66AB456–469, 629–630; 67AB100.

53 66AB566–567.

Mr Law emphasised that PHMPL's trademarks and the Contracts must be transferred.[54]

41 Mr Law also decided on the directors for the companies in the new group structure. Significantly, Mr Law did not want to be on record as managing the Defendant Companies:

(a) Mr Law did not want to be a director of SIOHPL, although he wanted to retain "some level of control".[55] He appointed Ms Soh – an employee of PHMPL and the person managing the training business under SIH – to be the director instead.[56]

(b) Mr Law instructed that Ms Tan replace him as director of PHGM, and Ms Tang responded that she would "get that effective 1 March".[57] Mr Law accepted that he wanted Ms Tan appointed quickly so that she would be the one signing the ASTA on behalf of PHGM.[58]

42 At the same time, Mr Law ensured that he retained sole and absolute control of the assets and business through GMHL:

(a) Mr Law instructed for the ownership of PHGM to be transferred to GMHL[59] – in effect, he continued to own PHGM through GMHL;

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54 66AB568.

55 66AB588.

56 66AB588.

57 68AB131.

58 NE 13 February at p 26.

59 66AB422.

(b) he instructed for the ownership of Yan Pte Ltd to be transferred to GMHL, such that he remained its ultimate owner;[60] and

(c) he instructed for the SIH business to be transferred to SIOHPL,[61] which was wholly owned by GMHL, and therefore ultimately owned by him.

43 Mr Law also decided the consideration for the Agreements on behalf of PHMPL *as well as* the Defendant Companies. On 26 February 2021, Ms Tang wrote to Mr Law that: "We need to think of what is the purchase/sale consideration. Meanwhile, i (sic) will work out dividend out for Yan".[62] The consideration was decided by Mr Law within a few days without any independent valuation. Mr Law's denial that he was directing matters on both sides of the transactions was plainly false.

44 First, with respect to the ASTA, Mr Law claimed that he had only provided input on the consideration on behalf of PHMPL, and not on behalf of PHGM. He also insisted that the consideration of S$2,700,000 was arrived at with Ms Tan's input and that he had discussed the terms of the ASTA with Ms Tan.[63] I reject those claims:

(a) As is evident from the e-mail thread between Mr Law and Ms Tang on 2 to 3 March 2021, it was Ms Tang who prepared the computation for the S$2,700,000 consideration under the ASTA

60 66AB358, 365–367, 371–373.

61 66AB422.

62 66AB423.

63 NE on 14 February 2025 ("NE 14 February") at pp 56–57.

("ASTA Computation"), which was accepted by Mr Law.[64] There is no evidence, from this e-mail thread or otherwise, that Ms Tan was involved in the preparation or approval of the ASTA Computation.

(b) In her affidavit, Ms Tan claimed to know the assumptions in the ASTA Computation.[65] However, she conceded under cross-examination that she did not even receive the ASTA Computation before the ASTA was signed.[66] She then claimed (for the first time) that Ms Tang had informed her of the assumptions before the ASTA was signed but could not remember what these were.[67] I do not believe her evidence.

(c) There is no evidence (including in any of Ms Tan's affidavits) of any draft of the ASTA being sent to Ms Tan before the final version was sent to her, which she signed and returned within minutes and without comments.[68] Ms Tan claimed at trial (again, for the first time) that she and Mr Law "could have discussed the contents of the ASTA" in the call with BCLP on 2 March 2021.[69] But this is untrue as Mr Law was still asking BCLP for the first draft of the ASTA on 5 March 2021.[70] In fact, Ms Tan did not even know of Park Baobab (as PHGM was known at the time) until on or shortly before 8 March 2021.[71]

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64 66AB423, 627.

65 TSH1 at para 27.

66 NE on 25 February 2025 ("NE 25 February") at p 55.

67 NE 25 February at pp 57–60.

68 NE 25 February at p 41; 68AB397.

69 NE 25 February at p 47.

70 67AB239, 264, 346.

71 NE 25 February at p 35.

45 Second, Mr Law determined the consideration under the Framework Agreement. In this regard, Mr Law instructed Ms Tang to use Yan Pte Ltd's net asset value ("NAV") to value Yan Pte Ltd's purchase price and to arrange Yan Pte Ltd to declare dividends prior to the sale to reduce its NAV.[72] On 3 March 2021, Yan Pte Ltd declared a dividend of S$904,362.49, which was *back-dated to 31 January 2021*.[73] This was subsequently changed to S$891,165.60, which had the effect of reducing the NAV and therefore the consideration under the Framework Agreement to exactly S$500,000.[74] Mr Law claimed declaring dividends was a "best practice" to reduce stamp duty.[75]

46 Ms Tan was also not involved in the terms of the Framework Agreement. As was the case for the ASTA, there was no evidence of any draft of the Framework Agreement being sent to Ms Tan before the final version was sent to her, which she also signed and returned within minutes and without comments.[76]

47 Third, Mr Law determined the consideration under the BTA. Ms Soh did not negotiate the terms of the BTA with Mr Law, nor did she provide any input on its terms:

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72 66AB429.

73 87AB321.

74 NE 27 February at p 65; 80AB404A; 87AB277–278.

75 NE on 18 February 2025 ("NE 18 February") at p 10.

76 68AB451.

(a) It was Ms Tang who prepared and sent the computation for the S$200,000 consideration under BTA ("BTA Computation") to Mr Law on 4 March 2021,[77] which he approved within minutes after receipt.[78]

(b) While Ms Soh claimed that Mr Law approved the consideration based on the computation exhibited in her AEIC at "SKMJ-7",[79] "SKMJ-7" was *not* the BTA Computation Ms Tang sent to Mr Law on 4 March 2021. More importantly, Ms Soh accepted that she left the issue of consideration entirely to Mr Law and Ms Tang.[80]

(c) There was no evidence of any negotiations between PHMPL and Ms Soh (on behalf of SIOHPL). Ms Soh conceded that she did not discuss with Mr Law the terms of the BTA.[81] While she claimed to have had some discussions with Ms Tang,[82] this was not mentioned in her affidavit. The only evidence of her involvement was that she provided information regarding a possible ACRA classification for SIOHPL's business and some external contracts, which were requested by Ms Tang. In fact, Ms Soh only had sight of the final version of the BTA,[83] which she signed and returned the BTA without any comments.

48 Mr Law also procured the transfer PHMPL's staff to PHGM. Mr Ng Yoon Heng ("Mr Ng") – PHMPL's (then) finance manager – testified that Mr

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77 67AB108–118.

78 67AB119–120.

79 NE on 28 February 2025 ("NE 28 February") at p 53; 4AB340–344.

80 NE 28 February at p 89.

81 NE 28 February at p 30.

82 NE 28 February at p 30.

83 NE 28 February at p 30.

Law announced to PHMPL's employees sometime in March 2021 that "there will be [a] restructuring and new entities will be formed, [and] all employees will be transferred to the new entity accordingly effectively in April", and save that there would be a new legal entity as their employer, there would be no change in the employment arrangements.[84] Mr Ng's employment with PHMPL officially ceased on 31 March 2021 and his employment with PHGM began on 1 April 2021 on identical terms.[85] However, Mr Ng testified that his letter of cessation of employment with PHMPL and letter of employment with PHGM were only prepared and signed in *May 2021*.[86] These letters were therefore back-dated as well.

49 Mr Law denied that PHMPL's employees were transferred to PHGM – he insisted that they stopped working for PHMPL and began their employment with PHGM, and he did not consider this a transfer.[87] He added to this contrived explanation that PHMPL was "unable to avoid people resigning".[88] However, he did not challenge Mr Ng's evidence as to what he (Mr Law) had announced to the employees or the transfer arrangements detailed above. Clearly, PHMPL's employees were transferred to PHGM as part of the restructuring, and their change of employers was simply a paper exercise.

50 To this end, Mr Law ensured, pursuant to the ASTA, that the IT and equipment necessary for the running of PHMPL's businesses were transferred to PHGM (see above at [28(a)(ii)]). At trial, Mr Law claimed that these made

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84 NE on 12 February 2025 ("NE 12 February") at p 38.

85 4AB112–119.

86 NE 12 February at p 33.

87 NE 13 February at pp 51–52.

88 NE 13 February at p 52.

the running of these businesses "easier but [it] was not a must".[89] Again, I find his answer contrived.

51 The clear picture that emerged was that the restructuring was orchestrated entirely by Mr Law, with Ms Tang providing inputs and advice but ultimately acting on his instructions. There is no evidence that Ms Tan, despite being part of the senior management of PHMPL and subsequently, the sole director of PHGM, had any say in the Agreements. In fact, Mr Law expressly told her in writing to let him handle the restructuring.[90] As conceded by Ms Tan, Mr Law and Ms Tang were the only ones giving instructions to BCLP on the Agreements.[91] She also conceded that she left it to Mr Law as to how the consideration of S$2,700,000 under the ASTA would be paid.[92]

Extraction of cash by Mr Law from PHMPL, PHCQ and GPOR

52 The transfer of assets and businesses from PHMPL to the Defendant Companies was only one part of Mr Law's plan. In the period when PHCQ and GPOR were failing to meet their obligations under their respective leases, Mr Law extracted substantial amounts of cash from all three companies.

53 On several occasions, when there was cash available in PHCQ and GPOR, instead of paying ART and NPP, it was transferred (via PHMPL) to a UBS account in the names of Mr Law and Ms Tan ("Laws' UBS Account"):

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89 NE 13 February at p 117.

90 66AB470.

91 NE 25 February at p 36.

92 NE 25 February at pp 71–72.

(a) On 11 September 2020, GPOR transferred S$1,000,000 to PHMPL's HSBC account,[93] from which S$3,419,682.46 was transferred to the Laws' UBS Account on the same day.[94] This sum was recorded in PHMPL's books as a loan from PHMPL to GMHL – see below at [62(a)].

(b) Between 9 December 2020 and 4 January 2021, PHCQ transferred a total of $4,000,000 to PHMPL's UOB account, which resulted in a sum of $4,413,505.21 in that account.[95] On 8 January 2021, that entire amount was transferred out of PHMPL's UOB account to the Laws' UBS Account.[96]

(c) On 21 December 2020, Ms Tang instructed Ms Sock Pei Teyo (who oversaw GPOR's finances) to "transfer the excess fund of $2[m] to PHMPL before the end of the month".[97] On 24 December 2020, GPOR transferred $1,998,681.69 to PHMPL's HSBC account.[98] On 9 January 2021, S$1,968,604.46 was transferred from PHMPL's HSBC account to the Laws' UBS Account.[99]

54 In fact, after rendering PHMPL effectively a shell because of the Agreements, Mr Law continued to cause PHMPL to incur liabilities for his personal benefit. On 12 March 2021, Mr Law caused PHMPL to draw down

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93 9AB367.

94 9AB367.

95 11AB67, 76.

96 11AB76.

97 1PB15.

98 11AB63.

99 11AB70, 95.

S$5,000,000 from its UOB loan facility ("UOB Facility") which sum was paid into PHMPL's UOB account, such that it had a credit of S$6,700,984.09.[100] On the same day, S$6,698,130.81 was transferred from PHMPL's UOB account to the Laws' UBS Account, leaving PHMPL's UOB account with only $2,853.28.[101]

55 Further, on 6 April 2021, Mr Law approved the transfer of S$1,054,089.06 (comprising two separate payments of S$307,734.77 and S$746.354.29) from PHMPL's HSBC account to his personal UOB account.[102]

Dividends and set-offs

56 The above cash transfers from PHMPL to Mr Law meant that he was personally liable to PHMPL for substantial amounts. In addition, various entities he owned also owed PHMPL substantial liabilities. These would obviously be the subject of claims by the creditors of PHMPL in the event of its (inevitable) liquidation.

57 In the final part of the "restructuring", these liabilities were eliminated by a series of accounting entries, most of which were back-dated.

58 First, the amounts owed to PHMPL by Mr Law's entities (including the consideration payable by the Defendant Companies under the Agreements) were "transferred" to Mr Law's director's accounts with PHMPL. No agreements were entered, nor resolutions passed, by PHMPL to explain the nature or circumstances of these transfers. They were simply entries recorded

100 11AB82.

101 11AB82.

102 87AB344–347.

in PHMPL's books. In other words, the amounts owed by Mr Law's entities to PHMPL were eliminated while the amount owed by Mr Law to PHMPL was correspondingly increased.

59 Second, the amount *owed by* PHMPL to Mr Law was increased and set off against Mr Law's (increased) liabilities to PHMPL. In short, by several strokes of the pen, Mr Law and his entities' substantial liabilities to PHMPL were eliminated.

60 Key to this were the entries in PHMPL's books which increased the amounts *owed* by PHMPL to Mr Law. These were:

(a) a declaration of a S$22m interim dividend for the financial year ending 2020 ("S$22m Dividend");

(b) a declaration of a S$5.9m interim dividend for the financial year ending 2021 ("S$5.9m Dividend"); and

(c) accounting entries to transfer to PHMPL (i) S$6,100,000 owing by PHCQ to Mr Law; and (ii) S$650,000 owing by GPOR to Mr Law, such that PHMPL owed Mr Law S$6,750,000 instead (collectively, "Journal Entries").

I elaborate on each below.

(1) S$22m Dividend

61 On or around 3 March 2021, Mr Law procured PHMPL to declare the S$22m Dividend but back-dated this to *1 September 2020*.[103] It was recorded in

[103] 87AB308–310.

the "Loan from Director" ledger as a $22,000,000 loan from Mr Law to PHMPL,[104] and used to eliminate various debts owed to PHMPL, as reflected in the said ledger:[105]

Date	Description	Credit	Debit	Balance
25/06/20	25/6-Funds by MrLaw&Shin-Loan fr		500,000.00	-500,000.00
01/09/20	Interim Dividend 1/2020		22,000,000.00	- 22,500,000.00
30/09/20	Investment in Kyoto Oike JPY266m (Good	3,419,682.46		-19,080,317.54
30/11/20	Settlement Against GPM	14,106,077.11		-4,974,240.43
31/12/20	Settlement Against GPM	14,106,077.11		9,131,836.68
31/12/20	Settlement Against Loan to Director	1,057,481.15		10,189,317.83
31/12/20	Rvs: Settlement Against GPM		14,106,077.11	-3,916,759.28

62 To briefly explain the entries in the ledger:

104 9AB577.

105 9AB577.

(a) First, GMHL's liability of S$3,419,682.46 to PHMPL was eliminated. This was the cash transferred from PHMPL to the Laws' UBS Account on 11 September 2020 (see above at [53(a)]). It was recorded as a loan from PHMPL to Mr Law, and subsequently re-recorded as a loan from PHMPL to GMHL with the description "Investment in Kyoto Oike JPY266m (Good Movement)".[106] Mr Law explained that "Kyoto Oike" referred to company that owned a trust beneficiary interest for which the primary asset was land and the hotel situated on the land, *ie*, the eventual Park Hotel Kyoto (discussed below at [347]–[359]).[107] Although Mr Law claimed that he did not know whether the sum was invested in Kyoto Oike,[108] this investment is evidenced by an invoice issued by PHMPL to GMHL dated 30 September 2020.[109]

(b) Second, the liability of Grand Park Maldives Pte Ltd ("Grand Park Maldives") – of which Mr Law was the sole shareholder and director[110] – of S$14,106,077.11 to PHMPL was eliminated. This comprised of two separate loans made from PHMPL to Grand Park Maldives in 2018, as evidenced by various invoices.[111] Mr Ng, who prepared the corresponding journal voucher, testified that these entries were back-dated to 30 November 2020 on Ms Tang's instructions.[112]

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106 9AB141; 9AB321; 87AB273;

107 NE on 19 February 2025 ("NE 19 February") at p 78.

108 NE 19 February at p 78; Law Ching Hung's 2nd Affidavit of Evidence-in-Chief ("LCH2") at para 9.

109 87AB273.

110 87AB236.

111 6AB389; 87AB250–251; NE 19 February at p 130.

112 NE 12 February at pp 51–52.

Although the posting date of the journal voucher was 30 November 2020, the printing date was on 3 July 2021.[113] Mr Ng explained that the printing date reflected the date the entries were made.[114] His evidence was not seriously challenged.

(c) Third, Mr Law's personal liability of S$1,057,481.15 to PHMPL was eliminated.[115] For the same reason above, I find that the set-off was back-dated – the printing date of the journal voucher of 3 March 2021 reflected the date of the entry, instead of the posting date of 31 December 2020.

63 This left a balance of negative S$3,916,759.28 in Mr Law's "Loan from Director" account as of 31 December 2020. That sum (with some minor adjustments) was credited to Mr Law's "Loan to Director" account,[116] and used to eliminate the liabilities of the Defendant Companies to PHMPL under the Agreements.[117] For the same reason above, I find that those set-offs were back-dated and the printing date of 5 April 2021 reflected the true date of the entries.

64 Mr Law claimed at trial that he could not recall if the Defendant Companies paid him the consideration due under the Agreements.[118] I do not believe him. Not only did he plead that these debts were discharged,[119] (a) Ms Tan confirmed that PHGM had paid the sums of S$2,700,000 and US$39,600

113 87AB274.

114 NE 12 February at p 52.

115 9AB141, 577; 87AB275.

116 10AB243, 414.

117 11AB101, 103, 105, 107, 109.

118 NE 19 February at p 53.

119 Defence (Amendment No. 4) at paras 24(b), 31(b). 36(b).

to Mr Law;[120] and (b) Ms Tang also testified that the sum of S$2,700,000 was paid to Mr Law.[121]

65 The purpose of declaring the $22m Dividend was clearly to eliminate the debts owed by Mr Law and his entities to PHMPL. On 3 March 2021, after Mr Law had signed the director's resolution declaring the S$22m Dividend, Ms Tang wrote to Mr Ng, "Please do the necessary and re run Navision. Discussion on *how your proposal to clear the balances*" (emphasis added).[122] Mr Ng testified that, following this e-mail, he spoke to Ms Tang, who instructed him to "reduce or remove the account balances" and to "look into accounts and see which are the ones that can be fully knocked off", *ie*, to "identify certain other entities that having a balance receivables to PHMPL" which can be "net off the balance against the 22 million payable to Mr Law".[123] This aspect of Mr Ng's evidence was not challenged.

(2) S$5.9m Dividend

66 On 5 April 2021, *after* PHMPL's assets and businesses had been disposed and PHMPL had no ability to earn revenue, Mr Law procured PHMPL to declare the S$5.9m Dividend but back-dated this to 23 March 2021.[124] Mr Law instructed Ms Tang to (a) clear his director's account with PHMPL; (b) pay the balance sum to him; and (c) pay UOB any cash that PHMPL, GPOR or PHCQ may have left.[125] The S$5.9m Dividend was used to eliminate various

120 NE 26 February at pp 57–58.

121 NE 27 February at p 113.

122 87AB308–310.

123 NE 12 February at pp 78–81.

124 87AB349.

125 87AB349.

liabilities of Mr Law to PHMPL, which included the cash payments of S$307,734.77 and S$746,354.29 from PHMPL to Mr Law on 6 April 2021 (see above at [55]).[126]

67 Significantly, Ms Tang expressly warned Mr Law that declaring the $5.9m Dividend "[would] be viewed as preference over creditors as loans were taken up to lend to companies related to the directors".[127] When asked at trial about her use of the word "preference", Ms Tang accepted that she was aware that "preference takes effect in an insolvency context".[128] Clearly, Ms Tang was aware that PHMPL was insolvent and was concerned about the legality of the $5.9m Dividend. Mr Law's instructions were nonetheless carried out, without regard to Ms Tang's concerns about their impropriety.

(3) Journal Entries

68 On or around 8 January 2021, PHMPL transferred to Mr Law the sums of S$4,413,505.21 and S$1,968,604.46 (see above at [53(b)] and [53(c)]).

69 Mr Ng testified that he was instructed by Ms Tang to create the Journal Entries (see above at [60(c)]),[129] the effect of which was to increase PHMPL's liability to Mr Law by a further sum of S$6,750,000.[130] This was then set off against the said cash payments to Mr Law and eliminated Mr Law's liability for them in PHMPL's books.[131]

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126 10AB243.

127 87AB349.

128 NE 27 February at p 119.

129 NE 12 February at pp 49–52; 12AB127.

130 9AB141.

131 10AB243.

70 Although the Journal Entries were dated 30 November 2020, Mr Ng's evidence was that they were prepared on *29 June 2021* and back-dated on Ms Tang's instructions.[132] Importantly, the winding up application against PHMPL had already been filed on 7 June 2021 and was to be heard on 2 July 2021. The outcome of the application was virtually certain as Mr Law had written to court to say that PHMPL would not contest it. PHMPL was therefore indisputably insolvent at the point these entries and set-offs were made – this much was accepted by Ms Tang at trial.[133] The timing of the Journal Entries underscored the brazenness with which Mr Law and Ms Tang acted.

Diversion of opportunities to PHGM

71 While the restructuring was ongoing, Mr Law also diverted a business opportunity to manage a boutique hotel in Kyoto, Japan from PHMPL to PHGM. This hotel was eventually named "Park Hotel Kyoto". I discuss this below (at [347]–[359]).

Events after the Agreements

72 By the middle of March 2021, Mr Law had reduced PHMPL to a shell. Tellingly, he continued to delay creditor action.

73 On 19 March 2021, TKQP informed Mr Law that they had received a letter from NPP's lawyers, Allen & Gledhill, demanding, *inter alia*, that GPOR provide a banker's guarantee equivalent to nine months of fixed rent by 26 March 2021.[134] On 23 March 2021, Mr Law replied to TKQP that they would

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132 NE 12 February at p 52.

133 NE 27 February at p 91.

134 68AB683.

only provide the banker's guarantee on 1 July 2021.[135] Significantly, Mr Law instructed TKQP that "[f]or this round [of negotiations], please push back and buy as much time as possible".[136]

74 In March 2021, Mr Law was in talks with ART. ART, which was unaware of the transfer of PHMPL's assets and businesses, was prepared to consider Mr Law's proposal that PHCQ's arrears be paid by drawing down from an account from which PHCQ was required to make contributions to fund the purchase or lease of new items of furniture, fixtures, fittings and equipment ("FF&E Account").[137] In other words, the monies in the FF&E Account was not supposed to be used to repay the arrears but ART was willing to make a concession to assist PHCQ. However, the parties were unable to reach an agreement for various reasons.[138] Notwithstanding this, Mr Law (without ART's consent) withdrew S$2,000,000 from the FF&E Account,[139] which was further evidence of his acting in bad faith. More egregiously, instead of using that sum to pay down the arrears to ART, he repaid UOB part of the S$5,000,000 he had earlier drawn down from PHMPL's UOB Facility for his personal use (see above at [54]). While this reduced PHMPL's liabilities, Mr Law was acting entirely in his own interests as PHMPL's liability under the UOB Facility was personally guaranteed by him. At trial, he claimed to not recall drawing down from the FF&E Account to pay UOB.[140] I find this unbelievable.

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135 68AB682.

136 68AB682.

137 BSK at paras 7–9; 87AB549.

138 87AB549.

139 BSK at para 29.

140 NE on 20 February 2025 ("NE 20 February") at p 18.

75 On 5 April 2021, Mr Law procured PHMPL to declare the $5.9m Dividend (but back-dated to 23 March 2021) to set off against his liabilities to PHMPL (see above at [66]).

76 On 7 June 2021, NPP filed an application to wind up PHMPL. On 29 June 2021, the Journal Entries were made to eliminate most of Mr Law's remaining liabilities (see above at [69]).

77 On 2 July 2021, PHMPL was wound up.

Mr Law's true intentions

78 I find that the real purpose behind the "restructuring" was to move all revenue-generating or viable assets out of PHMPL to the Defendant Companies in anticipation of PHMPL's liquidation.

79 There was in fact no real or practical change as to how the Park Hotel Group operated. All PHMPL employees became employees of PHGM, save for a few who remained to meet PHMPL's service obligations. Although Ms Tan and Ms Soh became directors of PHGM and SIOHPL respectively, Mr Law continued to manage the business and Ms Tang continued to oversee its finances. In short, the Park Hotel Group continued the same business with the same assets, under the same brands and with the same management and staff, but now under the Defendant Companies.

80 This intention is evident not only from the timing of the restructuring and the urgency with which Mr Law acted (see above at [35]–[38]), but also from the manner the restructuring was carried out, Mr Law and Ms Tang's private discussions on the same, as well as Mr Law's dishonest attempts to offer benign reasons for his conduct. I elaborate below.

Mr Law knew that the Corporate Guarantees would be called on

81 An important plank of Mr Law's defence was his insistence that at the time of the restructuring, PHMPL had no, or was not under any threat of, financial difficulties as the Corporate Guarantees had not been called on. In his affidavit, he claimed that "as at February 2021, PHMPL had no reason to believe that demands [would] be made on the [Corporate Guarantees], and did not have to structure its affairs on the basis that demands will be made on the [Corporate Guarantees]".[141]

82 This was a lie. The objective evidence, including Mr Law's communications with Ms Tang, clearly show that the restructuring was prompted by Mr Law's belief that ART and NPP would soon call on the Corporate Guarantees, PHMPL would not, or would not be able to, meet those demands and legal action against PHMPL was inevitable.

83 To briefly recap the events in 2020:

(a) PHCQ's and GPOR's business suffered greatly due to COVID-19 and they were in arrears as early as March/April 2020 (see above at [15]–[18]).

(b) On 6 March 2020, Mr Law informed TKQP that "there is a Corporate Guarantee by [PHMPL] … *we cannot afford to go into default*" (emphasis added).[142]

(c) On 16 April 2020, TKQP advised that, "What we want to avoid is for the security deposit to be run down, and *for the landlord to the*

141 LCH1 at para 189.

142 60AB128.

look to the corporate guarantee for any damages springing from termination at a later date" (emphasis added).[143]

(d) On 27 April 2020, TKQP advised that, "After the 6-month moratorium imposed by the Act, we would expect that [NPP] will ask GPOR to top up the security deposit amount, and *to call upon the corporate guarantee issued by PHMPL*" (emphasis added).[144]

(e) By the end of the moratorium in November 2020, PHCQ and GPOR's respective positions had deteriorated further. No solution was in sight. This prompted Mr Law to apply for further COVID-19 relief (despite being advised it would not likely succeed) and which ultimately failed (see above at [20]). He also instructed TKQP to assert that the leases had been frustrated, even though TKQP had advised this was a weak legal argument.[145] He was clearly playing for time.

(f) By December 2020, (i) PHCQ and GPOR had defaulted on their payment obligations (and continued to default on subsequent obligations); and (ii) NPP had already drawn down on a substantial portion of GPOR's security deposit in respect of the rental arrears from April 2020 to December 2020, which deposit would have to be topped-up.[146]

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143 60AB437.

144 60AB435.

145 60AB108–109, 178–179, 193–194, 435; 61AB598; 69AB72; 86AB11.

146 66AB330.

84 Mr Law knew that PHCQ and GPOR were doomed. NPP had consistently rejected his requests to revise the terms of the GPOR Lease.[147] While there were some negotiations with ART to adjust the rent and security deposit under the PHCQ Lease, nothing materialised.[148] According to calculations provided by Ms Tang to Mr Law and Ms Tan on 17 February 2021, PHCQ and GPOR were expected to be in a net loss position of S$932,000 and S$830,000 respectively in 2021 if their second applications for COVID-19 relief were denied, which TKQP had advised would likely be the case (see above at [20]).

85 Significantly, Mr Law conceded that he knew by *February 2021* of "the potential" that the creditors would look to the Corporate Guarantees if PHCQ and GPOR did not pay and that he was "very concerned about this".[149]

86 The 20 February Demand signalled that time had run out. Mr Law's decision to move immediately and to complete the "restructuring" quickly confirmed his awareness of the parlous state of PHMPL's finances and his belief that it was only a matter of time before the Corporate Guarantees would be called on.

87 In fact, Mr Law was in such a rush to complete the restructuring that he transferred the HMAs – which were PHMPL's main business and source of revenue – to GMHL *before* obtaining the consent of the hotel owners, which was contractually required for some of the HMAs.[150] He explained that he could

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147 NE on 26 February 2025 ("NE 26 February") at p 150; 60AB115, 151–152, 240–241, 135–137.

148 BSK at para 22; 60AB444–445; 61AB 328–329; 67AB85.

149 NE 13 February at pp 44–45.

150 LCH1 at para 99.

only obtain the owners' consent after the Agreements had been signed.[151] But this was contrived – there was nothing stopping him from approaching the owners first; indeed, it would have been prudent and sensible for him to have done so. Mr Law obviously wanted to transfer the HMAs quickly and deal with the issue of consent later.

The plan to shield PHMPL's assets from its creditors

88 It is evident that the purpose of the restructuring was to protect PHMPL's assets from its creditors. Mr Law's plan was in fact summarised in Ms Tang's e-mail to him of 22 February 2021, where she wrote: "[w]e have to do it such that [NPP and ART] has no chance to unwind".[152] Ms Tang admitted under cross-examination that she meant that she wanted to complete the transfer of assets and businesses to the Defendant Companies so that NPP and ART could not unwind them.[153] She also admitted that "[t]here was a sense of urgency" because it was only a matter of time before creditors would be at the door.[154] When confronted with his instructions to BCLP to "shield" the new structure (see above at [37]), Mr Law admitted that he was concerned about the risk of claims against PHMPL.[155]

89 On 26 February 2021, Mr Law had a discussion with Ms Tang over e-mail on how to "minimise the risk of challenge"[156] by NPP. Mr Law claimed

151 NE 18 February at p 83.

152 66AB352.

153 NE 26 February at p 170.

154 NE 26 February at p 164–165; NE 27 February at pp 132.

155 NE 13 February at pp 80–81.

156 66AB420.

that he did not know what "risk of challenge" Ms Tang was referring to.[157] I find that evidence remarkable and utterly dishonest. Mr Law did not, and did not have to, ask her what she meant because he clearly knew what those risks were.

Mr Law's decision to exclude PHCQ and GPOR

90 Ms Tang also recommended to Mr Law that everything *other than PHCQ and GPOR* should be transferred out of PHMPL[158] – she admitted at trial that this was pursuant to their plan:[159]

> Q: And the reason for that, I suggest to you, is that these two companies were in financial distress, and the decision was to take out all the other good assets and good subsidiaries which were revenue-generating; correct?
>
> A: The restructuring was the direction given in that manner, and also the reason why these two are left there is because there are least asset. They are not – yeah. So I'm just following instruction.
>
> Q: So Mr Law wanted to leave these two companies, PHCQ and GPOR, there, because they were in financial distress, and Mr Law preferred to take out all the other good assets and good subsidiaries like Yan, which were revenue-generating; correct?
>
> …
>
> A: … Yes.

91 This confirmed Mr Law's plan to take only PHMPL's good assets and his belief that PHCQ and GPOR were lost causes. In fact, Mr Law also took steps to distance himself (on record) from the management of PHCQ and GPOR. By 2 March 2021, Mr Law had decided to step down as a director of

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157 NE 20 February at p 50.

158 66AB566–567.

159 NE 27 February at pp 7–8.

both PHCQ and GPOR.[160] On 16 March 2021, he appointed in his place Mr Lim Kang-ling ("Mr Lim") – the general manager of both Park Hotel Clarke Quay and Grand Park Orchard hotels.[161] When asked why he did so at a time of crisis for PHCQ and GPOR, he claimed that "it [was] in conjunction with all the various restructuring exercise and documents, so we took it as a suitable time to make that change together".[162] But this did not explain why he needed to step down as a director. Further, it was a change in name only – it was Mr Lim's unchallenged evidence that Mr Law continued to manage both companies.[163] In fact, (a) Mr Law's approval was still required on human resources matters, for instance, the payment of the salaries of Mr Lim and the respective department heads;[164] (b) Mr Law continued to be in charge of, and conducted, monthly performance meetings of both PHCQ and GPOR;[165] and (c) Mr Law appointed (and continued to deal with) TKQP, the lawyers for PHCQ and GPOR[166] and Mr Lim did not deal with the lawyers at all.[167]

Discussions on delaying enforcement action

92 On 2 March 2021, Mr Law received an e-mail from TKQP, which informed him that they "[expected] a letter of demand for arrears to come very soon" and that he needed to "move very fast" with the restructuring.[168] It is

160 NE 20 February at p 58.

161 Lim Kang-ling's Affidavit of Evidence-in-Chief ("LKL") at para 6.

162 NE 20 February at pp 59–60.

163 LKL at para 10.

164 LKL at para 9(1).

165 LKL at para 10.

166 69AB490, 491.

167 LKL at para 11.

168 66AB618.

evident that Mr Law had discussed with TKQP his concerns with respect to the Corporate Guarantees.

93 When the restructuring could not be completed by 1 March 2021 as Mr Law instructed, Mr Law and Ms Tang explored ways to buy more time. On 4 March 2021, they had the following exchange over e-mail:[169]

> Mr Law: Yes, am thinking of proceeding with the Amendment agreement, would it help the Frustration case later if we add a line to say something like:
>
> This agreement does not vary any other
>
> Ms Tang: Just do that to buy us time to complete the restructuring?
>
> Also, GPOR, need to some negotiation to buy us time?
>
> Mr Law: PHCQ – yes, will handle at my end. Still waiting for Assessor on the Additional Rental Relief.
>
> GPOR – Landlord will act soon, need to complete the restructuring asap.

Ms Tang initially claimed that she could not remember what she meant by "[j]ust do that", but later admitted she was referring to entering an agreement with ART to amend PHCQ's lease and that Mr Law was to do "that" to "buy time".[170] With respect to her reference to GPOR, she explained that they needed to complete the restructuring and did not want to have to explain the same to NPP, which would "distract … the whole negotiation" with NPP.[171] But this was false – there was no evidence of any negotiations with NPP ongoing at the time. Eventually, she accepted that they needed to "buy time" to stall the creditors.[172]

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169 87AB548.

170 NE 26 February at p 155.

171 NE 26 February at pp 158–159.

172 NE 26 February at p 161.

In contrast, despite the clear messages, Mr Law steadfastly denied any intention of buying time.[173] I find this patently dishonest, especially given his reply to Ms Tang that GPOR's "[l]andlord will act soon". Ms Tang accepted that she understood Mr Law to mean that the restructuring must be completed quickly as GPOR's landlord would commence legal proceedings soon.[174]

Mr Law did not want to alert the creditors

94 Mr Law also took steps to reduce the risk of PHMPL's creditors discovering he was moving assets out of PHMPL and to give the impression that the disposal of assets was done at arm's length when, in truth, he was the decision maker on both sides.

95 Ms Tang admitted that Mr Law did not want creditors finding out about the restructuring before it was completed.[175] On 1 March 2021, she informed Mr Law that PHMPL's disposal of Yan Pte Ltd was a substantial disposal which was required to be lodged with ACRA – this meant that NPP or ART might discover the disposal if they conducted a search ("1 March E-mail").[176] Ms Tang admitted that she raised this matter to Mr Law because she was worried that NPP or ART might query why assets were being transferred out of PHMPL despite the Corporate Guarantees.[177] In response to the 1 March E-mail, Mr Law wrote "[l]ater the better".[178] At trial, Mr Law claimed he could not recall why he

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173 NE 14 February at p 50.

174 NE 26 February at p 161.

175 NE 27 February at pp 21–22.

176 66AB540.

177 NE 27 February at p 21.

178 66AB542.

said this.[179] I find that he was dishonest – clearly, he shared Ms Tang's concerns, which explained why he instructed Ms Tang to delay the lodgement with ACRA.

96 On 2 March 2021, Mr Law instructed Ms Tang to lodge the change of directors of PHCQ and GPOR (see above at [91]) *only after all the Contracts had been transferred out of PHMPL*.[180] At trial, he claimed that this was Ms Tang's idea and that he had no idea why she suggested it.[181] I find this unbelievable – it is clear that he agreed with Ms Tang's suggestion because he did not want to risk alerting PHMPL's creditors and have them stop the disposal of PHMPL's assets.

97 Further, Mr Law was anxious to portray the disposals as being done at "arm's length" in the restructuring documentation to disguise their true nature:

> (a) In his e-mail response of 5 March 2021 to Ms Tang's e-mail containing the draft board and shareholder resolutions for the restructuring, he asked, "any benefits in calling it [a] restructuring exercise? *Why not just arm's length [sale] and purchase*?" (emphasis added).[182] On the same day, he also questioned Ms Tang's use of the word "reorganisation" in the draft of the BTA.[183] Subsequently, Ms Tang removed references to the "restructuring" exercise in both the resolutions and the BTA.

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179 NE 13 February at p 111.

180 66AB599.

181 NE 13 February at pp 136–137.

182 67AB430.

183 67AB373.

(b) On 6 March 2021, BCLP wrote to Mr Law, asking him about the removal of the references to the "internal restructuring", which appeared to be contrary to their earlier instructions that this was an internal reorganisation.[184] In his response, Mr Law inform BCLP that this was "more like a Sale and Purchase between the various entities".[185]

(c) But Mr Law changed his position when it suited him. In his letter to the owner of the Destination Singapore Beach Road hotel seeking its consent for PHMPL to novate the right to the HMA with the hotel to GMHL, he stated that this was "part of … restructuring activities to achieve higher focus in functional reporting".[186]

98 At trial, and with respect to [97(a)] above, Mr Law explained that he was only posing a question to Ms Tang.[187] But he was clearly instructing that the documents be amended to remove references to "restructuring exercise", which Ms Tang duly complied with. To explain his inconsistent positions, he claimed that the exercise was *both* a restructuring as well as an arm's length transaction.[188] This was contrived and only underscored Mr Law's attempts to disguise the true nature of the "restructuring".

99 Mr Law also ensured that his name was removed from the transaction documents:

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184 68AB72.

185 68AB72.

186 69AB19.

187 NE 14 February at p 32.

188 NE 14 February at p 107.

(a) The original draft of the Framework Agreement named him as a party to the transaction.[189] On 5 March 2021, Mr Law commented on the draft, asking whether his name could be removed.[190] On 6 March 2021, BCLP explained that one of the reasons that Mr Law was named was because he was transferring Park Hotel Management (HK) Ltd ("PHM (HK)"), a company incorporated and registered in Hong Kong which he owned,[191] to GMHL.[192] This transfer was then removed from the Framework Agreement. At trial, Mr Law explained that he was only posing a question as to whether he should be named and that he saw no reason why a personal name ought to be part of the transaction.[193] He also claimed that he could not recall why the transfer of PHM (HK) was removed from the Framework Agreement.[194] I do not accept his evidence – clearly, he instructed the transfer of PHM (HK) removed so that his name would not appear in the Framework Agreement.

(b) In this regard, Ms Soh signed the Framework Agreement on behalf of GMHL despite not being involved with GMHL in any capacity. At trial, she could not explain why she did so.[195] I find that Mr Law likely caused or instructed her to sign the Framework Agreement as he did not want to be named as GMHL's representative.

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189 67AB475.

190 67AB475.

191 67AB520.

192 67AB515, 681.

193 NE 14 February at p 34.

194 NE 14 February at pp 78–79.

195 NE 28 February at pp 38–39.

(c) Mr Law ensured that any references to himself in the BTA were removed. In the original draft of the BTA, it was stated that PHMPL and SIOHPL were both beneficially owned by the same "Ultimate Beneficial Owner".[196] Mr Law commented, "Is this necessary?" on the draft.[197] In a subsequent e-mail to Ms Tang, he again asked whether the reference to the "Ultimate Beneficial Owner" could be removed.[198] At trial, Mr Law (again) explained that he was only posing questions[199] He also claimed that there was no reason to hide his interests as anyone could find out from ACRA who the ultimate beneficial owner of GMHL was.[200] But this is false – GMHL was incorporated in the BVI and the identity of its ultimate beneficial owner would not be publicly disclosed. When confronted, Mr Law was forced to concede this.[201]

(d) Mr Law also deleted from the original draft of the ASTA a line that stated, "Ultimate Beneficial Owner … means Mr Law Ching Hung".[202]

Mr Law's concern was with advancing his and the Defendant Companies' interests

100 The Agreements were calculated to benefit Mr Law and the Defendant Companies at the expense of PHMPL and its creditors.

196 66AB689.

197 66AB689.

198 67AB373.

199 NE 14 February at p 35.

200 NE 14 February at p 35.

201 NE 14 February at p 35.

202 67AB600.

101 First, the terms of the ASTA favoured PHGM:

(a) In an earlier draft of the ASTA dated 5 March 2021, Ms Tang commented that PHMPL's liabilities – meaning "all debts, liabilities, fines, penalties and obligations of any nature relating to the Transferring Assets"[203] – were not to be transferred to PHGM. At trial, Mr Law admitted that he agreed with Ms Tang's comments.

(b) Mr Law deliberately depressed the values of the HMAs sold to GMHL under the ASTA. In calculating the value of the HMAs, Mr Law instructed Ms Tang to use the expense ratios of international chains such as Accor Group, Intercontinental Hotel Group and Marriot International, which Ms Tang derived from public sources to be 90%, instead of relying on the lower expense ratios based on PHMPL's *actual* operating expenses.[204] In his affidavit, he explained that this was because PHGM was not provided with PHMPL's operating expenses.[205] This was an absurd and dishonest position – Mr Law and Ms Tang were acting on both sides of the transaction and had access to PHMPL's financial information. Importantly, Ms Tang had prepared a budget for the year 2021 which reflected PHMPL's net profit as S$3,451,572 and its profit margin as 31.3% (*ie*, an expense ratio of 68.7%).[206] Mr Law admitted that he could have looked at either the budget prepared by Ms Tang, or the actual operating expenses for the hotels that PHMPL was managing.[207] Nonetheless, he disagreed that he should have referred to

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203 67AB599.

204 NE 18 February at p 66; 66AB605, 606.

205 LCH1 at para 95.

206 10AB661.

207 NE 18 February at pp 75–76.

the budget as the stated profit margin of 31.3% was not realistic.[208] But Ms Tang would not have prepared a budget which was unrealistic – Mr Law admitted that the budget would have reflected Ms Tang's "best guess".[209] In any event, it does not explain how using figures published by hotel chains which were not comparable to the Park Hotel Group would be more accurate than using PHMPL's own numbers. Plainly, Mr Law used a 90% expense ratio to suppress the value of the HMAs. Significantly, the defendants' own expert did not adopt an expense ratio of 90% in valuing the HMAs but accepted 69% as reasonable (see below at [259]).

(c) Despite knowing that PHMPL was in a parlous financial state, Mr Law caused PHMPL to make a series of payments on PHA's behalf for no apparent benefit to PHMPL. As at 22 February 2021, PHA owed PHMPL S$201,084.02.[210] By 31 May 2021, this amount had increased to S$250,268.04.[211] Mr Law then procured PHMPL to waive this debt upon the completion of the ASTA,[212] which was effected on 31 May 2021.[213] In other words, not only did PHMPL make payments on behalf of PHA when PHMPL was in financial difficulties, Mr Law then caused the transfer of PHA to PHGM free of PHA's liabilities to PHMPL. Notably, this waiver was not included in the version of the ASTA signed

208 NE 18 February at p 77; 10AB659.

209 NE 18 February at p 79.

210 10AB298.

211 10AB298.

212 NE 14 February at p 69; 1AB140.

213 LCH1 at para 165.

by Ms Tan on or around 9 March 2021.[214] The ASTA was eventually re-signed by Ms Tan with the waiver included.[215] Mr Law admitted that the plan was to have PHA transferred to PHGM free of liability.[216] This was plainly done to benefit PHGM.

102 Second, the transfer of Yan Pte Ltd under the Framework Agreement favoured GMHL. As stated above (at [45]), Mr Law depressed the consideration for Yan Pte Ltd by instructing Ms Tang to first declare a dividend to lower Yan Pte Ltd's NAV. Mr Law's claim that PHMPL would receive the declared dividends was hollow – the dividend was not paid as it was eliminated by set-offs (see below at Annex 3).[217] Further, as discussed below (at [267]–[268]), the use of the Yan Pte Ltd's NAV depressed its true value.

103 Mr Law and Ms Tang had also valued Yan Pte Ltd on the basis that the leases of YAN and Smoke & Mirrors with National Gallery Singapore ("NGS") would expire, and their respective businesses would cease, in September 2021.[218] This was despite Mr Law's clear intention in January 2021 to secure a renewal of the leases.[219] In fact, Mr Law only engaged NGS *after* Yan Pte Ltd was transferred to GMHL, and secured the renewals.[220] In truth, Mr Law transferred Yan Pte Ltd to GMHL at par value because he believed that it was beneficial to GMHL, and therefore, himself.

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214 NE 14 February at p 67; 68AB397.

215 NE 14 February at pp 67–68; NE 18 February at p 39; 68AB418.

216 NE 14 February at p 67.

217 10AB413; 33AB38.

218 39AB11.

219 NE 18 February pp 34-35; 62AB645

220 NE 18 February pp 32–33; 70AB117.

104 The issue of the valuation of Yan Pte Ltd also uncovered an attempt on the part of Mr Law and Ms Tang to mislead the court. Mr Law claimed that Ms Tang had prepared a valuation of Yan Pte Ltd based on a forecast ("Yan Forecast") but that he decided to use the NAV figure as "the [Yan Forecast] was in negative figures and not the suitable way to decide on the consideration".[221] When cross-examined, Ms Tang could not recall whether she had provided the Yan Forecast to Mr Law before he made the decision to use Yan Pte Ltd's NAV.[222] When the plaintiffs' solicitors wrote to the defendants in late 2024 asking for the native format of the Yan Forecast, the defendants' solicitors replied that the defendants no longer had it.[223] On 2 October 2024, Ms Tan filed an affidavit explaining that Ms Tang had recreated the Yan Forecast *in December 2021* in the form of an excel spreadsheet. But that document contained a link "L:\CorporateFinance\Finance\A-PHMPL**364**-Yan\Forecast March …" (emphasis added).[224] Ms Tang conceded that "364" referred to the present proceedings, which were commenced *after* December 2021.[225] I find that the Yan Forecast produced by the defendants was created *after* this action had commenced, which suggested that the assertion that Mr Law and Ms Tang had done a financial analysis of Yan Pte Ltd prior to its sale to GMHL was likely false.

105 Third, the terms of the BTA favoured SIOHPL:

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221 NE 18 February at pp 26–27.

222 NE 27 February at pp 43–44.

223 87AB518.

224 NE 27 February at pp 54–57; 73AB463.

225 NE 27 February at pp 54–57.

(a) Mr Law instructed that the clause in the draft of the BTA transferring liabilities from PHMPL to SIOHPL should be excluded.[226] This clause was absent in the executed BTA. Mr Law accepted that he decided this.[227]

(b) Ms Soh alleged that the valuation of SIH provided in Ms Tang's e-mail dated 4 March 2021 to Mr Law[228] was based on a computation ("SIH Computation") prepared by Ms Tang with inputs from Ms Soh.[229] However, there were no written communications between Ms Tang to Ms Soh relating to the SIH Computation. Instead, Ms Soh had provided Ms Tang with higher revenue numbers as part of her budget forecast and gave a more bullish view of SIH's business.[230] In this regard, Ms Soh's attempts to explain the difference between the SIH Computation and her budget forecast were contrived and dishonest. At first, she claimed that her numbers were realistic but then said that they were unrealistic and inflated.[231] She also said that her numbers were given to Ms Tang in late 2020 but business outlook had changed by March 2021.[232] However, no evidence was given of these changes. In valuing SIH, Ms Tang ignored Ms Soh's forecasts and developed a highly skewed computation premised on SIH only earning revenues from its existing contracts and without projecting any new contracts or growth. I find she did this to

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226 66AB693.

227 NE 14 February at p 16.

228 4AB361.

229 NE 28 February at p 52; Tang Buck Kiaw's 1st Affidavit of Evidence-in-Chief ("TBK1") at para 44; 4AB340–344.

230 10AB660.

231 NE 28 February at pp 61–62.

232 NE 28 February at pp 65–66.

artificially depress the value of SIH. The valuation of SIH is discussed in detail later (at [283]–[291]).

106 Fourth, Mr Law caused PHMPL to declare the S$22m and S$5.9m Dividends and to make the Journal Entries for the sole purpose of clearing his and his entities' debts to PHMPL to advance his interests at the expense of PHMPL and its creditors (see above at [56]–[70]).

107 If Mr Law and Ms Tang truly believed these transactions were proper, there would be no reason to back-date them. Mr Law and Ms Tang were unable to explain this:

(a) Ms Tang claimed that the backdating of the $22m Dividend to 1 September 2020, *ie*, to the *previous* financial year[233] was because there was "some transfer of funds" to Mr Law in September 2020 and "the intention then was always for the company to dividend out to him to support his investment".[234] Not only was this vague, it was not stated in either her affidavit or Mr Law's. It is also not supported by their conversation over Microsoft Teams in the morning of 3 March 2021 (where they agreed to declare and back-date the dividends) which did not refer to, and much less suggest, an intention to declare a dividend in September 2020 – to the contrary, it showed that Ms Tang had suggested backdating the S$22m Dividend to *August* 2020.[235]

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233 87AB308–310; 87AB261.

234 NE 27 February at pp 134–135.

235 80AB424, 429; 66AB626–628.

(b) No explanation was given by either Mr Law or Ms Tang as to why the S$5.9m Dividend declared on 5 April 2021 was back-dated to 23 March 2021.[236]

(c) As stated above (at [70]), the Journal Entries were prepared on or around 29 June 2021 but back-dated to 30 November 2020. Ms Tang claimed that the backdating of accounting entries to the previous financial year was a "common practice" when private companies review their ledgers at the conclusion of a financial year, and that it has been PHMPL's practice since she joined PHMPL.[237] But there was no evidence that there was any such practice in PHMPL, let alone one in private companies generally.

(d) Significantly, Mr Ng testified that Ms Tang instructed him to "[tidy] up and just clean up the books to hand over to the liquidator".[238] The task was to "eliminate the number of accounts … to offset against certain receivables and payables if the ultimate owner are the same", *ie*, Mr Law.[239] Ms Tang conceded that she gave such instructions, but asserted (without evidence or basis) that "we actually do this kind of clearing up intercompany balances all the time".[240] I reject Ms Tang's explanation. Crucially, the Journal Entries were made when PHMPL was indisputably insolvent – the situation would have been anything but routine.

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236 87AB348.

237 Tang Buck Kiaw's 2nd Affidavit of Evidence-in-Chief at paras 9–11.

238 NE 12 February at pp 54–56.

239 NE 12 February at p 57.

240 NE 27 February at pp 84–87.

108 I find that Mr Law and Ms Tang knew or were concerned that the various cash payments to Mr Law and the elimination of PHMPL's receivables were impermissible or would look suspicious given their timing, and therefore back-dated the S$22m and S$5.9m Dividends and the Journal Entries to give them an appearance of legitimacy or to make it more difficult for PHMPL's creditors to challenge them. They were clearly alive to the risk of challenge – the object of the restructuring was to insulate PHMPL's assets from enforcement action by its creditors (see above at [88]–[89]) and as mentioned above (at [67]), Ms Tang had expressly warned Mr Law about preferential payments given PHMPL's financial situation.

109 Mr Law clearly had no concern about the interests of PHMPL or its creditors. He caused PHMPL's assets to be transferred away and the books and finances of PHMPL to be manipulated to ensure that his and his entities' liabilities to PHMPL were cleared, and that there would be nothing left for PHMPL's creditors.

110 The lengths to which Mr Law was prepared to go to advance his own interests at the expense of PHMPL is exemplified by the following incident. On 10 June 2021, *after the winding up application against PHMPL had been filed*, Ms Tang wrote to the owner of Destination Singapore Beach Road hotel (copying Mr Law) seeking consent for PHMPL to novate the right to the HMA entered with the hotel.[241] To incentivise the landlord, she proposed, as a "gesture of goodwill", to waive the management fees due to *PHMPL* in March 2021.[242] By this time, Ms Tang was employed by PHGM and not PHMPL. There was no basis for Ms Tang to have made such an offer. Mr Law and Ms Tang simply did

241 69AB414.

242 69AB414.

not care about PHMPL's interests and were seeking only to advance the Defendant Companies' and Mr Law's interests.

Mr Law's other arguments

111 Mr Law maintained that the restructuring had nothing to do with PHCQ and GPOR's liabilities or PHMPL's exposure under the Corporate Guarantee but was the implementation of a restructuring proposal in 2017 evidenced by an e-mail of 10 August 2017 from Ms Tang ("2017 Proposal")[243] and that "[t]here was no reason to delay that any further".[244] I reject that evidence:

(a) The 2017 Proposal was clearly different from the "restructuring" in March 2021. The former envisaged that (i) there would be one ultimate holding company for all business lines, including the hotel operator business line; (ii) PHMPL would remain part of the group as the intermediate holding company for the hotel management business line; and (iii) GPOR and PHCQ would be part of the group under the hotel operator business line. Under the restructuring in March 2021, PHMPL, GPOR and PHCQ were left out from the new group post-restructuring, and PHMPL would no longer hold any hotel management business.

(b) There was no mention of the 2017 Proposal in *any* of the documents discussing or relating to the restructuring in March 2021. Nor was it explained why nothing was done about the 2017 Proposal for years, in contrast with the sudden urgency to complete the 2021 restructuring within a couple of weeks.

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243 59AB668.

244 NE 13 February at p 62.

(c) The written exchanges between Mr Law and Ms Tang made it abundantly clear that the 2021 restructuring was entirely motivated by the failure of PCHQ and GPOR, and PHMPL's exposure under the Corporate Guarantee (see above at [23], [88]–[89]).

112 Mr Law also insisted that even after PHMPL's assets and businesses had been transferred and all the cash drained from PHMPL, PHMPL remained viable. His explanation was that, although he no longer anticipated revenue to be generated "at [the] PHMPL level", PHMPL had become "a streamlined business" focused on the hotel operation business with two business lines – PHCQ and GPOR.[245] He also claimed that negotiations with landlords were ongoing and PHMPL was "working towards a viable business model and turning into a profit".[246]

113 Mr Law was not delusional, just dishonest. There were no plans or proposals to address PHCQ and GPOR's, and therefore, PHMPL's, substantial liabilities. On 5 April 2021, in response to letters of demand from NPP to GPOR and PHMPL dated 31 March 2021,[247] Mr Law (on behalf of PHMPL) stated that PHMPL "will not be making payment of the sums claimed by [NPP] in respect of [the GPOR Lease]" on the grounds of frustration[248]. GPOR took the same position and even offered to surrender the Grand Park Orchard property to NPP.[249] Mr Law's explanation – that these were part of negotiations – was incredible. On 25 May 2021, he wrote to TKQP informing them that "PHCQ

245 NE 19 February at p 113.

246 NE 19 February at p 113.

247 68AB692–694, 703–706.

248 68A709.

249 69AB13.

has a negative asset value, [and] no one would want to buy it".[250] It is also worth highlighting that PHMPL could not then even derive any benefit from the HMAs for PHCQ and GPOR as Mr Law had already procured their novation to PHGM. PHMPL no longer had any, or any meaningful, streams of revenue or businesses left. Mr Law gave no evidence of what "viable business model" it had or was working towards.

114 Mr Law pointed to his negotiations with ART and NPP to keep PHCQ and GPOR in business. But that was also false. First, there were no negotiations with NPP at all. Second, I agree with the evidence of Ms Beh Siew Kim ("Ms Beh"), the Chief Executive Officer of Capitaland Ascott Trust Management Limited who gave evidence on behalf of ART, that Mr Law's negotiations with ART were conducted "in serious bad faith".[251] On 9 April 2021, Ms Beh reached out to Mr Law to negotiate a repayment plan, only to find out that Mr Law had (without ART's consent) withdrawn S$2,000,000 from the FF&E Account (see above at [74]).[252] Mr Law continued to engage ART in negotiations even up until the end of May 2021,[253] even though both PHCQ and PHMPL no longer had any means to make repayments and Mr Law had stripped PHMPL of its assets. Mr Law was stringing ART along to delay it from commencing legal action against PHMPL. This was confirmed by Mr Law's exchanges with Ms Tang which made clear that the point of the negotiations was simply to "buy time" (see above at [93]). Ms Beh's evidence was that ART would not have

250 69AB138.

251 BSK at para 42.

252 BSK at paras 28–29.

253 BSK at Tab 12.

continued negotiations if it had known that Mr Law was disposing of PHMPL's assets and businesses to the Defendant Companies.[254]

115 Finally, Mr Law claimed that the set-offs referred to above were performed by PHMPL's finance department without his knowledge. I do not accept that evidence. Ms Tang confirmed that Mr Law was aware that the finance department would carry out the off-setting of inter-company balances, which she described as "common practice" (see above at [107(c)]). As I had noted, there was no evidence that such set-offs had been done previously. The evidence also showed that Mr Law was heavily involved in the "restructuring" of which the set-offs were an integral part. Further, and as seen from Mr Law's e-mail to Ms Tang dated 5 April 2021 where he instructed her to declare the $5.9m Dividend to clear his loan account (see above at [66]), Mr Law clearly knew about, and was directing, the set-offs.

The plaintiffs' claims

116 Against the above backdrop and findings, I now deal with the various causes of action pleaded by the plaintiffs.

117 As against Mr Law, the plaintiffs claim for breach of fiduciary duties in that Mr Law:

> (a) caused PHMPL to dispose assets and businesses under the Agreements to the Defendant Companies, which were also transactions at an undervalue in breach of ss 224 and 438 of the Insolvency, Restructuring and Dissolution Act 2018 (2020 Rev Ed) ("IRDA") and unfair preferences in breach of s 225 of the IRDA;

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254 BSK at para 43.

(b) caused PHMPL to declare the S$22m and S$5.9m Dividends, which were transactions at an undervalue in breach of s 224 of the IRDA and s 403 of the Companies Act 1967 (2020 Rev Ed) ("Companies Act");[255]

(c) caused PHMPL to owe him a sum of S$6,750,000 by procuring the Journal Entries to be made;

(d) caused PHMPL to make substantial cash payments to himself and set off receivables in favour of Mr Law and his related companies, which were also transactions at an undervalue in breach of ss 224 and/or unfair preferences in breach of s 225 of the IRDA;[256]

(e) caused PHMPL to waive the debt owed by PHA;

(f) caused the transfer of various employees of PHMPL to PHGM; and SIOHPL; and

(g) diverted the opportunity to manage Park Hotel Kyoto away from PHMPL to PHGM.

118 As against the Defendant Companies, the plaintiffs claim for:

(a) dishonest assistance and/or knowing receipt in respect of Mr Law's breaches; and

(b) conspiracy with Mr Law to injure PHMPL.

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255 Although the plaintiffs pleaded this, they did not rely on s 403 of the Companies Act in their closing submissions.

256 Although the plaintiffs pleaded this, they did not rely on s 224 of the IRDA in their closing submissions.

PHMPL's financial position

119 I first deal with the preliminary issue of when PHMPL became insolvent as that affects various claims made, and defences raised, by the parties – see ss 224, 225 and 226 of the IRDA:

> **Transactions at an undervalue**
>
> 224.—(1) Subject to this section and sections 226 and 227, where a company is … being wound up, and the company has at the relevant time (as defined in section 226) entered into a transaction with any person at an undervalue, the … liquidator … may apply to the Court for an order under this section.
>
> …
>
> **Unfair preferences**
>
> 225. —(1) Subject to this section and sections 226 and 227, where a company is … being wound up, and the company has at the relevant time (as defined in section 226), given an unfair preference to any person, the … liquidator … may apply to the Court for an order under this section.
>
> …
>
> **Relevant time under sections 224 and 225**
>
> 226.—(1) Subject to this section, the time at which a company enters into a transaction at an undervalue or gives an unfair preference is a relevant time if the transaction is entered into or the preference given —
>
> > (a) in the case of a transaction at an undervalue — within the period starting 3 years before the commencement of … winding up … and ending on the date of the commencement of the … winding up …;
> >
> > (b) in the case of an unfair preference which is not a transaction at an undervalue and which is given to a person who is connected with the company (otherwise than by reason only of being the company's employee) — within the period starting 2 years before the … winding up … and ending on the date of the commencement of the … winding up …
>
> …
>
> (2) Where a company enters into a transaction at an undervalue … at a time mentioned in subsection (1)(*a*), (*b*) or (*c*), that time

> is not a relevant time for the purposes of sections 224 and 225 unless the company —
>
> > (a) is unable to pay its debts at that time within the meaning of section 125(2); or
> >
> > (b) becomes unable to pay its debts within the meaning of section 125(2) in consequence of the transaction …
>
> (3) Where a transaction is entered into at an undervalue by a company with a person who is connected with the company (otherwise than by reason only of being the company's employee), the requirements under subsection (2) are presumed to be satisfied unless the contrary is shown.

120 Mr Law's evidence in his affidavit was that PHMPL:

(a) was solvent "*till* early March 2021" (emphasis added);[257] and

(b) "had reason to believe no demands will be made on the [Corporate Guarantees]" and, "*until* 31 March 2021" (emphasis added), did not have to structure its affairs.[258]

121 Ms Tang's evidence in her affidavit was that:

(a) PHMPL was solvent "*until* its assets were disposed of on or around 8 March 2021" (emphasis added);[259] and

(b) "*until* 31 March 2021" (emphasis added), when it received a letter of demand from NPP, it did not have to restructure its affairs on the basis that demands will be made on the [Corporate Guarantees]".[260]

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257 LCH1 at para 179.

258 LCH1 at paras 187–188.

259 TBK1 at para 45.

260 TBK1 at para 48.

122 On 20 January 2025, when I heard parties in chambers, counsel for the defendants accepted that PHMPL was insolvent by end March 2021.[261] They departed from that position in their closing submissions[262] and adopted Mr Law's evidence at trial where he maintained that PHMPL still had a viable business even after the completion of the Agreements (see above at [112]). Ms Tang also aligned her position with Mr Law's, explaining that "until" did not mean that PHMPL was no longer solvent thereafter, but instead that PHMPL was still solvent "*as at* the time when the assets [were] disposed of".[263]

123 The applicable test for insolvency is the cash flow test, which assesses whether the company's current assets exceed its current liabilities, *ie*, within a 12-month timeframe, such that it is able to meet all debts as and when they fall due: *Sun Electric Power Pte Ltd v RCMA Asia Pte Ltd* [2021] 2 SLR 478 ("*Sun Electric*") at [65].

124 I find that PHMPL was insolvent by 31 December 2020.

125 Given my findings above (at [15]–[22]) there is no doubt that PHCQ and GPOR were insolvent or financially parlous as at December 2020, if not earlier. I accept the plaintiffs' argument that this has significant implications on the financial position of PHMPL. The second plaintiff, Mr Aw, a licensed liquidator and chartered accountant,[264] gave evidence that:[265]

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261 Minute Sheet dated 20 January 2025.

262 Defendants' Closing Submissions ("DCS") at para 14.

263 NE 26 February at p 116.

264 AEH1 at para 150.

265 AEH1 at paras 160–162, 170–185.

(a) PHMPL's current assets in December 2020, as reflected in its balance sheet, were *overstated* since the amounts due and recoverable from PHCQ and GPOR should be fully impaired; and

(b) PHMPL's current liabilities in December 2020, as reflected in its balance sheet, were *understated* since PHMPL did not provide for its liabilities under the Corporate Guarantees.

126 Once the appropriate adjustments are made to PHMPL's balance sheet, it is patently clear that PHMPL was unable to pay its debts as they fell due by December 2020.[266]

127 In any event, PHMPL was insolvent *at the latest* by 20 February 2021 when NPP issued the 20 February Demand, as it is indisputable that the Corporate Guarantees would shortly be called on given that GPOR had neither the means nor the intention of meeting that demand. In that regard, I refer to my findings above (at [35]–[38] and [83]–[99]), including that Mr Law (a) immediately initiated the "restructuring" to remove all PHMPL assets and businesses to leave PHMPL a shell; and (b) took steps to stall or delay action against PCHQ and GPOR to enable the restructuring to be completed. In fact, TKQP reminded Mr Law that the Corporate Guarantees would likely being called on and highlighted the need to complete the restructuring quickly (see above at [92]).

128 I turn to deal with the defendants' arguments on this issue.

129 First, the defendants highlighted that the demand on the Corporate Guarantees was made only on 31 March 2021, and until then, there was a low

266 AEH1 at para 188.

likelihood of NPP and ART calling on them.[267] The defendants further relied on "ongoing negotiations with [NPP] on a potential compromise"[268] .

130 The fact that PHMPL only received a formal letter of demand on 31 March 2021 is not determinative. In *Sun Electric*, the Court of Appeal held (at [65] and [69]) that in determining the question of insolvency, the courts "should also consider debts which may not have been demanded and which may not even be due" and whether payment is "likely to be demanded for those debts". The evidence is clear, and I have found, that by 20 February 2021 at the latest, it was likely that the Corporate Guarantees would be called on. Mr Law's claim that the Corporate Guarantees were not at risk of being called as there were ongoing negotiations with ART and NPP were also false (see above at [114]).

131 Second, the defendants argued that the plaintiffs have falsely assumed that the Corporate Guarantees would require PHMPL to pay all the outstanding rent owed by PHCQ and GPOR.[269] They relied on a cashflow analysis provided by Ms Tang in her affidavit ("Cashflow Analysis") – which was only prepared for these proceedings and not at the relevant time – which asserted that PHCQ and GPOR would generate revenue from their business operations to cover part of the rent owed, and that PHMPL would only have to cover the balance.[270] However:

(a) I accept the plaintiff' argument that the Cashflow Analysis merely speculates how PHCQ, GPOR and PHMPL *may* be able to put together some funds to meet any shortfall between PHCQ's and GPOR's

267 DCS at para 7.

268 DCS at para 7.

269 DCS at para 8.

270 TBK1 at Annex A.

estimated monthly profit and their lease liabilities until December 2021.[271] It did not consider PHMPL's current assets and current liabilities over a 12-month period and therefore did not address the cash flow test set out above (at [123]).

(b) There was no evidence to support Ms Tang's assumption that PHCQ and GPOR would be able to cover part of their rent – to the contrary, the evidence shows that they had defaulted on their rental obligations as early as March and April *2020* respectively and continued to not pay rent even after the expiry of the temporary relief under the COVID-19 Act (see above at [21]).

(c) Further, as discussed above (at [53]), instead of paying down their own arrears, cash from PHCQ and GPOR were transferred to PHMPL and then to Mr Law personally in January 2021. In fact, when NPP made a demand on 13 January 2021 on the banker's guarantee from GPOR for S$3,546,645.09 (which was to secure the GPOR Lease),[272] there were no funds to meet the demand and PHMPL had to draw down $2,700,000 from the UOB Facility.[273]

(d) The Cashflow Analysis assumed that PHCQ's security deposit would first be applied to outstanding arrears before PHMPL makes payment – but there is no basis for PHMPL to insist on this.

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271 PCS at para 41.

272 86AB143.

273 NE 26 February at p 131.

132 Third, the defendants argued that PHMPL had access to the UOB Facility which it could draw against to repay the debts due to ART and NPP.[274] The Cashflow Analysis relied on the UOB Facility as a source of funds. But this was illusory. Under the terms of the UOB Facility,[275] any advance would be repayable at the end of the interest periods selected, which are between one, three or six months.[276] In short, the UOB Facility only provided short-term loans which would not address PHMPL's insolvency under the cash-flow test. Further, UOB Facility could be terminated at any time – it is "subject to period review and callable on demand by [UOB] at [its] absolute discretion, whereupon [UOB] would have the right to terminate or cancel the Banking Facilities … and to demand immediate repayment of all monies and liabilities owing to [UOB]".[277] Given the "restructuring" and PHMPL's inability to continue its (or any) operations, that cancellation was inevitable and happened on 21 June 2021.

133 More importantly, the evidence is clear that Mr Law had no intention of using the UOB Facility to meet GPOR, PHCQ or PHMPL's liabilities:

(a) The UOB Facility had been available to PHMPL since 20 December 2018,[278] yet Mr Law did not approve any drawdowns from the UOB Facility to repay the unpaid rent and other charges in 2020, or even after receiving the 20 February Demand.

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274 DCS at paras 10–14.

275 59AB670.

276 59AB671.

277 59AB675.

278 59AB670.

(b) Ms Tang's evidence that PHMPL had previously used the UOB Facility to meet its liabilities and that of its subsidiaries[279] is irrelevant – the issue is whether it would do so in 2021. Although PHMPL had drawn down S$2,700,000 from the UOB Facility (see above at [131(c)]), it had done so to honour the banker's guarantee provided by GPOR under its lease, which was secured by *Mr Law's* personal guarantee, *ie*, Mr Law had caused the UOB Facility to be drawn down in his *own* interests to avoid being held personally liable.

(c) Crucially, Mr Law caused PHMPL to draw down S$5,000,000, from the UOB Facility on 12 March 2021 and channelled those funds to the Laws' UBS Account to pay for Mr Law's investment in Kyoto Oike (see above at [62]). This was shortly *after* the 20 February Demand was received. In other words, after the 20 February Demand, he only used the UOB Facility for his personal needs and not PHMPL's.

134 Finally, insofar as Mr Law claimed that "it would be possible for PHMPL to acquire stakes in other hotel operating companies moving forward"[280] and/or "incorporate new entities",[281] there is not a shred of evidence (as Mr Law conceded)[282] that PHMPL was exploring any options to meet its liabilities.

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279 NE 27 February at p 157.

280 Errata Sheet to LCH1 at S/N 8.

281 NE 13 February at p 96.

282 NE 13 February at pp 95–96.

Breach of fiduciary duties

135 It is trite that directors owe fiduciary duties to their companies. Where a company is insolvent or financially parlous, the general fiduciary duties continue to apply but are weighted towards the interests of the company's creditors. As held by the Court of Appeal in *Foo Kian Beng* (at [105]–[106]), where a company is in a financially parlous position, the law imposes a duty on the director to consider the creditors' interests, to accord them appropriate weight, and to balance these against the shareholders' interests ("Creditor Duty"):

> (a) where a company is financially parlous, *ie*, imminently likely to be unable to discharge its debts, the court will scrutinise the subjective *bona fides* of the director with reference to the potential benefits and risks that the impugned transactions might bring to the company – transactions which appear to exclusively benefit shareholders or directors will attract heightened scrutiny; and
>
> (b) where corporate insolvency proceedings are inevitable, the Creditor Duty operates to prohibit directors from authorising corporate transactions that have the exclusive effect of benefitting shareholders or themselves at the expense of the company's creditors, such as the payment of dividends.

136 The purpose of the Creditor Duty mirrors that of the avoidance provisions in the IRDA, *ie*, ss 224 and 225 – therefore, where a director authorises a transaction that falls within the meaning of ss 224 and/or 225, save in exceptional circumstances, the inevitable inference would be that he has breached the Creditor Duty: *Living the Link Pte Ltd (in creditors' voluntary*

liquidation) and others v Tan Lay Tin Tina and others [2016] 3 SLR 621 at [77]–[78].

137 There is a difference between a company being insolvent and being financially parlous – in respect of the latter, the court is not concerned with the question of whether the company was technically insolvent or whether it would have been appropriate to liquidate the company, but considers a non-exhaustive list of factors which include (a) the recent financial performance of the company; (b) the industry that the company operates in, including its recent and future prospects; and (c) any other external developments, such as geopolitical ones, which may have an impact on the company's business: *Foo Kian Beng* at [105].

138 While the defendants maintained in their closing submissions that (a) PHMPL was not insolvent at the material time and (b) it was Mr Law's genuine belief that PHMPL was solvent at least up till the point where the UOB Facility was cancelled on or around 21 June 2021,[283] they tellingly did not address the issue of when PHMPL could be said to be *financially parlous*. I find that it is unarguable that it would have been clear to Mr Law by end December 2020 that PHMPL was at least in a financially parlous position such that he owed the Creditor Duty by then.

139 As set out above, PHCQ and GPOR were unable to pay their respective liabilities (which continued to mount), their draft financial statements for the financial year ending 31 December 2020 indicated that they were both in a net liability position, there were no prospects of improvement in their financial positions (which continued to deteriorate) given the continuing pandemic, and

283 DCS at para 221.

no solutions had been proposed or found to meet those liabilities. There was, at the very least, a serious risk that the Corporate Guarantees would be called on. Mr Law's solution to that risk was not to explore options to meet PHMPL's liabilities, but to stall its creditors and spirit away its cash and assets.

140 As further evidence that Mr Law was aware of PHMPL's situation, he misled his own restructuring lawyers, BCLP. In the proposed work scope sent by BCLP to Mr Law, one of the general assumptions set out therein was that "[a]ll the entities involved in the reorganisation are solvent".[284] When shown this document, Mr Law's weak response was that he may not have read this and that he did not know why BCLP thought it necessary to highlight that the entities were solvent.[285] He further explained that the reason he did not inform BCLP that PHMPL was only going to be solvent until 8 March 2021 was because PHMPL would still be solvent thereafter.[286] He denied that he omitted to inform BCLP that PHMPL's assets would be transferred away, leaving PHMPL with only liabilities.[287] I find that evidence unbelievable. Mr Law plainly knew that PHMPL, if it was not before, would indisputably become insolvent because of the "restructuring". I find that he did not inform BCLP of the true purpose and consequence to PHMPL of the "restructuring" as he was concerned that BCLP would advise against such a plan or refuse his instructions.

141 I have set out above the plaintiffs' claims against Mr Law. I deal with each claim in turn.

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284 66AB523.

285 NE 14 February at pp 25, 27.

286 NE 14 February at p 74.

287 NE 14 February at p 24.

Dividends

142 The defendants accepted that if the S$22m and S$5.9m Dividends were declared at the time that PHMPL was insolvent, they would amount to undervalued transactions within the meaning of s 224 of the IRDA and must be set aside.[288] In addition, Mr Law would be in breach of his fiduciary duties for causing or permitting PHMPL to declare the same.

143 In respect of the $22m Dividend, the defendants argued that, notwithstanding that the resolution was passed only on or around 3 March 2021, the *intention* to declare it existed as early as 1 September 2020 and this ought to be when it was deemed declared.[289] They relied on the case of *Manolete Partners plc v Rutter and another* [2023] 1 BCLC 549 ("*Manolete*"). In *Manolete*, a dividend declaration was recorded in July 2016 in the company's draft 2014–2015 accounts, with the dividend declaration back-dated to 31 July 2015. However, there was no formal record of this declaration in the company's accounting system until April 2017. The court found that dividend was declared in July 2016 because that was when the *intention* to declare the dividend arose. *Manolete* is readily distinguishable on the facts. As I have found above (at [107(a)]), there is no evidence of any intention to declare the S$22m Dividend in September 2020 – it was only contemplated and decided in March 2021 in order to effect the various set-offs to eliminate or reduce the liabilities of Mr Law and his entities to PHMPL. The documents were back-dated to falsely give the impression that the $22m Dividend was declared in September 2020 and the set-offs were made before January 2021.

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288 DCS at para 263.

289 DCS at para 250.

144 Indeed, the entries for the amounts identified by Mr Ng to be "net off … against the [S$22m Dividend]" (see above at [65]) were initially recorded in the accounts as entries dated 31 December 2020.[290] These entries were then amended on or around 3 July 2021 (*after* PHMPL wound up) to change the date of the entries to September and November 2020.[291] This illustrates the manner PHMPL's books were being manipulated and exposes the dishonesty of Ms Tang's evidence that there had been an intention to declare the S$22m Dividend in September 2020.

145 The defendants did not dispute that the S$5.9m Dividend was declared on or around 5 April 2021.[292] PHMPL was indisputably insolvent by then.

146 Given my findings above, the S$22m and S$5.9m Dividends were:

(a) undervalued transactions pursuant to s 224 of the IRDA; and

(b) further, declared in breach of Mr Law's fiduciary duties to PHMPL.

147 I therefore find the S$22m and S$5.9m Dividends invalid and of no effect.

Journal Entries

148 The effect of the Journal Entries was that PHMPL's liabilities to Mr Law increased by S$6,750,000 in exchange for debts from PHCQ and GPOR of the same amount being assigned or transferred from Mr Law to PHMPL. The

290 87AB275.

291 NE 12 February at pp 88–90; 87AB274, 276, 287.

292 DCS at para 237.

defendants argued that there is no evidence that PHCQ and GPOR would have been unable to pay PHMPL,[293] but as I have found, that is clearly incorrect. PHCQ and GPOR were unable to pay their debts. Mr Law effectively transferred worthless debts to PHMPL in consideration for the face value of those debts, *ie*, the sum of S$6,750,000. Given my findings above, the Journal Entries were made in breach of Mr Law's fiduciary duties to PHMPL and were invalid.

149 This leaves the issue as to the appropriate treatment of (a) the cash payments to Mr Law; and (b) the receivables, which were purportedly set off against the S$22m and S$5.9m Dividends.

Cash payments to Mr Law

150 The cash payments to Mr Law comprise:

(a) S$4,413,505.21 and S$1,968,604.46 on 8 January 2021 (see above at [53(b)] and [53(c)]);

(b) S$6,698,130.81 on 11 March 2021 (see above at [54]); and

(c) S$307,734.77 and S$746,354.29 on 23 March 2021 (see above at [55]).

151 The defendants accepted that if PHMPL was insolvent at the time of the cash payments, those payments will amount to unfair preferences within the meaning of s 225 of the IRDA and must be repaid,[294] subject to the following qualifications:

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293 DCS at para 311.

294 DCS at para 236.

(a) in respect of the cash payment of S$4,413,505.21 on 8 January 2021, the amount repayable should be reduced to S$413,505.21 because this sum came from a corresponding cash payment from PHCQ to PHMPL, which has since been repaid to PHCQ;[295] and

(b) in respect of the cash payment of S$6,698,130.81 on 11 March 2021, the amount repayable should be reduced to S$2,394,758.58 because part of this sum came from PHMPL's drawdown of S$5,000,000 on the UOB Facility, and Mr Law has since repaid S$4,303,372.23 to UOB.[296]

152 Given my findings above (at [124]) that PHMPL was insolvent by 31 December 2020, I find that the cash payments amount to unfair preferences within the meaning of s 225 of the IRDA and must be repaid by Mr Law. Further, insofar as these cash payments were purported to be set off against the credits in favour of Mr Law created by the $5.9m Dividend and the Journal Entries, these set-offs are not valid given that the $5.9m Dividend and the Journal Entries have been impugned.

153 Further, and in any event, given my findings above (at [138]) that PHMPL was at the very least financially parlous by 31 December 2020 and Mr Law knew this, the cash payments were not in the interests of PHMPL and amount to breaches of Mr Law's fiduciary duties to PHMPL.

154 The plaintiffs did not dispute that, in respect of the cash payment of S$4,413,505.21, the amount repayable should be reduced to S$413,505.21.[297]

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295 DCS at para 223.

296 DCS at para 229.

297 AEH1 at para 4; NE on 11 February 2025 ("NE 11 February") at p 57.

155 However, I do not accept the defendants' argument that PHMPL's claim for the sum of S$6,698,130.81 should be reduced by virtue of Mr Law's payment to UOB. As pointed out by the plaintiffs, Goh Yihan J had earlier dismissed Mr Law's application to plead a defence of set-off and a counterclaim for that same payment, holding that the claim did not fall within the scope of permissible insolvency set-off as it did not satisfy the requirement of "mutual dealings": *Park Hotel CQ Pte Ltd (in liquidation) and others v Law Ching Hung and another suit* [2024] 5 SLR 138 at [94]–[98]. Mr Law did not appeal that decision. His submission is a back-door attempt to claim the same set-off and is an abuse of process.

Receivables

156 I turn to the treatment of the receivables due to PHMPL from various entities which were set off against the $22m Dividends. These have been set out above (at [62]–[63]). It bears repeating that all these entities are owned and controlled by Mr Law.

157 The plaintiffs argued that Mr Law had, in breach of his fiduciary duties, effectively diverted the benefit of the receivables to himself and/or caused PHMPL to lose the benefit of these receivables and should therefore be liable to PHMPL for the same.[298]

158 The defendants argued that what was attempted (and what ought to be reversed) was a three-way set-off.[299] Taking the sum of S$14,106,077.11 owed by Grand Park Maldives to PHMPL as an example:

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298 Statement of Claim (Amendment No. 4) at para 77.

299 DCS at paras 271–273.

(a) post-set-off, Mr Law would receive the benefit of the receivables from Grand Park Maldives instead of PHMPL, and PHMPL's obligations towards Mr Law were discharged in the same value of the benefit from Grand Park Maldives; and

(b) if the set-off is reversed, the original party, in this case Grand Park Maldives, would owe S$14,106,077.11 to PHMPL, and not Mr Law.

159 In the alternative, the defendants argued that there was potentially: (a) a novation to Mr Law of the debtors' obligation to pay PHMPL, and (b) following the novation, there was a wrongful set-off against Mr Law's director's accounts – PHMPL would be required (but did not lead evidence) to prove that by this novation, PHMPL has suffered a loss (*ie*, the loss of PHMPL's ability to claim the receivables from the related parties).[300] However, this is not part of their pleaded case.

160 The crux of the defendants' argument is this: if the breach of the fiduciary duties owed by Mr Law lies in the transfer of the benefit of the receivables from PHMPL to Mr Law, then what should be set aside is that transfer.[301] If the transfer is set aside, the end result would be that the original party would still owe the said receivable to PHMPL, and not Mr Law.[302]

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300 DCS at para 274–275.

301 DCS at para 286.

302 DCS at para 286.

161 However, the defendants accepted that if PHMPL was insolvent at the time of the set-offs, but the transfers are not impugned, Mr Law would be liable for the amounts.[303]

162 I find Mr Law liable to PHMPL for the amounts of the receivables originally due to PHMPL (save for the sum of S$106,245.91 originally owed by Yan Pte Ltd to PHMPL).

163 I accept the plaintiffs' argument that Mr Law had, in breach of his fiduciary duties appropriated for himself the receivables due to PHMPL. Mr Law's scheme was to transfer these assets to himself without paying PHMPL for them – based on the entries in PHMPL's books, he purportedly took "loans" from PHMPL to discharge the receivables, which loans he had no intention of repaying as they were to be set off against the $22m Dividends. His goal was to ensure that the liabilities of his entities to PHMPL were eliminated. As the $22m Dividend was invalid and has been impugned (see above at [147]), Mr Law had, in breach of his fiduciary duties, effectively diverted or appropriated the benefits of these receivables to himself.

164 Further, it was not the case that these entries could simply be reversed. Mr Ng had confirmed in respect of the S$22m Dividend that, when entries were "net off", he would have made corresponding entries in the account of the counterparty.[304] I also highlight that some of the original debtor entities had in fact paid Mr Law those receivables – for example, the Defendant Companies had paid Mr Law the consideration due under the Agreements, which Mr Law claimed not to recall (see above at [64]). Mr Law did not lead evidence as to the

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303 DCS at para 287.

304 NE 12 February at p 86.

status of the receivables of the other debtor entities, although that evidence would be available to him. It therefore lies ill in his mouth to insist that the plaintiffs look to the original debtor entities instead. In the circumstances, I reject the defendants' argument that the plaintiffs must only look to the original debtor entities and not Mr Law.

165 The defendants argued that, even if I do not accept that there should be a three-way set-off, Mr Law should still not be liable to repay the sum of S$106,245.91 originally owed by Yan Pte Ltd to PHMPL prior to the set-offs. On 28 February 2021, this receivable was eliminated from PHMPL's books,[305] while Mr Law's liability to PHMPL was correspondingly increased by the same amount.[306] On the same date, PHMPL's liability *to* Yan Pte Ltd of S$1,224,212.99 was eliminated,[307] while its liability to Mr Law increased by the same amount.[308]

166 The defendants' argument is that these amounts should be set off against each other, the effect of which would be that PHMPL would owe Yan Pte Ltd a nett sum of S$1,117,967.08 – it then cannot be said that PHMPL had "lost" its ability to claim against Yan Pte Ltd the sum of S$106,245.91.[309] I agree. These entries were made on the *same* date – in effect, PHMPL's liability to Yan Pte Ltd and *vice versa* were set off against each other, after which PHMPL's outstanding liability to Yan Pte Ltd (of S$1,117,967.08) was transferred to Mr Law – it was not suggested by the plaintiffs that this transfer is invalid or

305 10AB413.

306 10AB243.

307 10AB413.

308 10AB243.

309 DCS at para 279.

unlawful. PHMPL therefore did not suffer any loss. Tellingly, the plaintiffs did not make any argument in respect of the sum of S$106,245.91 in their closing submissions.

167 For the same reasons above, I accept the plaintiffs' argument that Mr Law is liable to pay PHMPL the sum of S$1,057,481.15 originally owed by him (see above at [62(c)]). In all the different scenarios advanced by the defendants in their closing submissions, the defendants accepted that Mr Law is liable to pay PHMPL this sum.[310]

168 For completeness, I highlight that there are several other receivables of modest amounts originally due to PHMPL which had also been set off but which Mr Law has agreed to pay PHMPL without admission of liability.[311] The full set of receivables has been listed at Annex 3.

Disposal of PHMPL's assets and businesses under the Agreements

169 One of the fiduciary duties of a director is the duty not to place themselves in a position in which there is a conflict between their duties to the company and their personal interests or duties to others: *Bluestone Corp Pte Ltd v Phang Cher Choon and others and another suit* [2020] SGHC 268 ("*Bluestone*") at [115]. One corollary of this rule is the self-dealing rule, which prohibits a director from entering, on behalf of the company, into an arrangement or transaction with himself or with a company in which he is interested: *Bluestone* at [115]. Another is the no-profit rule, which requires a director not to retain any profit which he has made through the use of the company's property, information or opportunities to which he has access by

310 DCS at para 288.

311 NE 12 February at pp 156–157.

virtue of being a director, without the fully informed consent of the company: *Bluestone* at [115].

170 Mr Law had caused PHMPL to enter the Agreements with the Defendant Companies (which he owned and controlled) and, as discussed above (at [39]–[51]), was acting on both sides of the transactions. I therefore find that he was in breach of his duty to not place himself in a position of conflict and of the self-dealing and no-profit rules.

171 The defendants submitted that a director has a defence to allegations of conflict if the shareholders of the company consent to the transaction, and if the articles of the company provide that a director may vote in matters in which he is interested.[312] In this regard, the defendants pointed to Art 84 of PHMPL's constitution, which provides:[313]

> (a) A director may be party to or in any way interested in any contract or arrangement or transaction to which the Company is a party or in which the Company is in any way engaged or concerned or interested …
>
> (b) A director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest in accordance with the provisions of the [Companies Act].

172 The defendants argued that PHMPL was fully informed of, and had consented to, Mr Law's interests in the Agreements as he was the sole shareholder of PHMPL.[314]

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312 DCS at para 19.

313 80AB348–349.

314 DCS at paras 19–20.

173 But this defence does not apply when the company is insolvent or approaches insolvency, when the risks of continued trading of the company shifts from the shoulders of the shareholders to that of the creditors: see *Foo Kian Beng* at [73]. As was held by the court in *Kinsela and Another v Russell Kinsela Pty Ltd (in liq)* (1986) 4 NSWLR 722 (at 730 and 732) and affirmed by the Court of Appeal in *Raffles Town Club Pte Ltd v Lim Eng Hock Peter and others and other appeals* [2013] 1 SLR 374 at [45]:

> … In a solvent company the proprietary interests of the shareholders entitle them as a general body to be regarded as the company when questions of the duty of directors arise. If, as a general body, they authorise or ratify a particular action of the directors, there can be no challenge to the validity of what the directors have done. *But where a company is insolvent the interests of the creditors intrude*. They become prospectively entitled to, through the mechanism of liquidation, to displace the power of the shareholders and directors to deal with the company's assets …
>
> …
>
> It is … legally and logically acceptable to recognise that, where directors involved in a breach of their duty to the company affecting the interests of the shareholders, then shareholders can either authorise that breach in prospect or ratify it in retrospect. Where, however, the interests at risk are those of creditors I see no reason in law or in logic to recognise that the shareholders can authorise the breach. …

174 I also note that Mr Law's reliance on Art 84(b) of PHMPL's constitution does not assist him as there is no evidence that he had declared his interest in the Agreements in the manner prescribed in the Companies Act.

175 Section 156(1) of the Companies Act states that:

> every director … who is in any way, whether directly or indirectly, interested in a transaction or proposed transaction with the company must as soon as is practicable after the relevant facts have come to his or her knowledge —
>
> (a) declare the nature of his or her interest at a meeting of the directors of the company; or

> (b) send a written notice to the company containing details on the nature, character and extent of his or her interest in the transaction or proposed transaction with the company.

176 Section 157B of the Companies Act further states that in the case of a company that has only one director, the director may make the declaration under s 156(1)*(a)* by "recording the declaration and signing the record". Further, s 156(11) provides that the secretary of the company "must record every declaration [made pursuant to s 156] in the minutes of the meeting at which it was made and keep records of every written resolution duly signed and returned to the company under this section".

177 There is no evidence of any declaration at a meeting or as recorded (under ss 156(1)*(a)* and 157B of the Companies Act) nor any written notice to PHMPL (under s 156(1)*(b)* of the Companies Act) that provided details on the nature, character and extent of Mr Law's interest in the Agreements. Neither do the directors' resolutions and shareholder resolutions authorising the Agreements contain any such information.[315] On the contrary, as discussed above, Mr Law took pains to hide his interests in the Agreements.

178 While the defendants argued that Mr Law's failure to follow the formalities of declaring his interests is a technical breach,[316] he has not sought relief under the Companies Act for such breach. In any event, Mr Law had, by causing PHMPL to enter the Agreements, preferred his own interests over those of PHMPL's creditors when PHMPL was insolvent or financially parlous, and had thereby acted in breach of his fiduciary duties to PHMPL. He cannot absolve himself of such breaches.

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315 80AB410–418, 425–426.

316 DCS at para 31.

179 I turn to the plaintiffs' main complaint, which is that Mr Law had breached his fiduciary duties by causing PHMPL to enter the Agreements because they were transactions at an undervalue (see above at [117(a)] and [136]). This engages the issue of the value of the assets and businesses disposed thereunder, which is also relevant to the plaintiffs' cause of action under s 224 of the IRDA.

180 The parties adduced expert evidence on the market value of the assets sold by PHMPL:

(a) Ms Chee Hok Yean ("Ms Chee") and Mr Christopher James Moffett Osborne ("Mr Osborne") (collectively, "Valuation Experts") with respect to the assets and business transferred under the ASTA, Framework Agreement and BTA; and

(b) Mr Alex Charles Bickerton Haigh ("Mr Haigh") and Mr Montek Mayal ("Mr Mayal") (collectively, "IP Experts") with respect to the IP transferred from PHMPL to PHGM.

Valuation of the Contracts and Park Hotel Maldives

181 Under the ASTA, the Contracts were transferred from PHMPL to PHGM. These were:

(a) the HMAs for the Grand Park City Hall, Grand Park Kunming, Grand Park Otaru, Grand Park Wuxi, Grand Park Orchard, Grand Park Xi'an, Destination Singapore Beach Road, Park Hotel Clarke Quay, Park Hotel Malacca, Park Hotel Penang, Park Hotel Alexandra and Park Hotel Farrer Park hotels;

(b) the LAs for the Park Hotel Malacca, Park Hotel Penang and Park Hotel Hong Kong hotels; and

(c) the TSAs for the Park Hotel Malacca and Park Hotel Penang hotels.

182 The shares in Park Hotel Maldives were transferred from PHMPL to PHGM pursuant to the ASTA and Framework Agreement. The Valuation Experts agreed that the value of Park Hotel Maldives is largely captured in the value of the HMA for the Grand Park Kodhipparu hotel, which is the sole asset of Park Hotel Maldives.[317] No separate valuation of Park Hotel Maldives was therefore necessary.

183 The Valuation Experts purported to determine the market value of the Contracts and the HMA for the Grand Park Kodhipparu hotel. They both adopted a discounted cash flow ("DCF") analysis which values the assets based on their anticipated revenue stream.

184 The main differences between the Valuation Experts were:

(a) the basis of the valuation;

(b) whether some of the Contracts should be excluded from the valuation;

(c) whether the HMAs should be valued on the basis that they would be renewed;

317 NE on 6 March 2025 ("NE 6 March") at p 49.

(d) when the tourism sector would reasonably be expected to recover to pre-COVID-19 levels as this affected the anticipated revenue stream;

(e) the profit margins for the HMAs; and

(f) the applicable discount rate.

185 I deal with each in turn.

(1) Basis of valuation

186 Mr Osborne relied on the definition of "market value" in the International Valuation Standards ("IVS"), namely "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".[318] In this regard, market value "specifically excludes an estimated price inflated or deflated by special terms or circumstances … or any element of value available only to a specific owner or purchaser" and "does not reflect the attributes of an asset that are of value to a specific owner or purchaser that are not available to other buyers in the market".[319]

187 Ms Chee contended that the appropriate market should include the value of the Contracts to any purchaser who may have a special interest in the Contracts, including the actual purchaser, *ie*, PHGM.[320] Ms Chee stated that she

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318 2DB254: International Valuation Standards (""IVS") at para 20.14.

319 2DB270–271: IVS at paras 30.2 and 30.7.

320 Chee Hok Yean's 2nd Affidavit of Evidence-in-Chief at CHY-4 ("CHY2") at para 1.17.

"didn't specifically follow IVS standards"[321] but did not explain which standard she adopted. This was unsatisfactory on Ms Chee's part. I also note that the parties had agreed at the outset that the Valuation Experts would offer their opinions on the "market value" of the subject assets[322] and Ms Chee appeared to be shifting from that position.

188 The starting point is the relevant value under s 224(3) of the IRDA, which provides:

> (3) For the purposes of this section and sections 226 and 227, a company enters into a transaction with a person at an undervalue if —
>
> (a) the company makes a gift to that person or otherwise enters into a transaction with that person on terms that provide for the company to receive no consideration; or
>
> (b) the company enters into a transaction with that person for a consideration the value of which, in money or money's worth, is significantly less than the value, in money or money's worth, of the consideration provided by the company.

189 Only transactions where the company receives consideration the value of which is "significantly less" than the consideration provided by the company would amount to a transaction at an undervalue under s 224 of the IRDA: *Parakou Investment Holdings Pte Ltd and another v Parakou Shipping Pte Ltd (in liquidation)* [2018] 1 SLR 27 at [62].

190 I had recently discussed this provision in *SW Trustees Pte Ltd (in compulsory liquidation) and another v Teodros Ashenafi Tesemma (also known as Tewodros Ashenafi) and others (Teodros Ashenafi Tesemma (also known as Tewodros Ashenafi), third party)* [2024] SGHC 322 ("*SW Trustees*"). *SW*

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321 NE on 4 March 2025 ("NE 4 March") at p 52.

322 D1.

Trustees involved an action by a liquidator to challenge the insolvent company's disposal of shares in a business in Ethiopia on the basis that the sale was at a significant undervalue. The parties could not agree on the appropriate basis of valuation. I held that, in determining whether a transaction was at an undervalue within the meaning of s 224 of the IRDA:

> (a) the appropriate basis of valuation is the market value of the subject asset (at [124]); and
>
> (b) the court is concerned with a comparison between the value received by and provided by the insolvent company, not the value received or provided from the perspective of the counterparty or any other party (at [134]).

191 The question is: what is the best price the insolvent company could reasonably achieve for the asset if properly marketed? I accept that the "market" includes participants who may have a special interest in the asset, and who may therefore be willing to offer more than others. Therefore, if it can be demonstrated that the seller had excluded the participation of a class or classes of potential bidders who could reasonably have offered a significantly higher price on account of their special interest in the asset, then the asset would have been sold at an undervalue.

192 However, it would be wrong to say that a buyer has paid below market value simply because the asset may be worth more *to him* than what he paid. As noted above, the issue of value is considered from the perspective of the (insolvent) company seller and not the buyer. In *SW Trustees*, the only person who had a special interest in the subject shares was the actual buyer and there

was no evidence that there were others in the market who may be similarly situated, or had other interests, who may have paid a significantly higher price.

193 Likewise, in this case, there is no evidence that there were any participants in the market who had a special interest in the subject assets (other than the Defendant Companies).

194 In the circumstances, for the purposes of determining market value, I do not take into account any aspect or feature of the subject assets which may be of special interest to the Defendant Companies. In the event, this did not ultimately affect the analysis below.

(2) Should any of the Contracts be excluded?

195 While Ms Chee valued all the Contracts, Mr Osborne excluded several of them for various reasons. Before dealing with each of them, I first make some general observations.

196 First, the Valuation Experts agreed that, when conducting a valuation exercise, only facts existing as at the date of the transaction should be taken into consideration, and that subsequent events may be relied on solely to inform or clarify what was or may have been apparent as of the valuation date.[323] This is consistent with the authorities: see *Buckingham v Francis* [1986] 2 All ER 738, where the court held (at p 740a) that "regard may be had to later events for the purpose only of deciding what forecasts for the future could reasonably have been made on [the valuation date]".

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323 NE 4 March at p 47.

197 Second, I reject Mr Osborne's argument that discounts should be applied for:

(a) The potential terminations of the Contracts by the hotel owners based on PHMPL's insolvency.[324] If the Contracts are sold or novated to a buyer, whether PHMPL goes into insolvency would be irrelevant. The buyer will receive an asset which has a revenue stream unaffected by PHMPL's insolvency.

(b) The potential sale of the hotel, which may lead to an early termination of the HMA.[325] Whether such a sale would happen is entirely speculative. Further, Mr Osborne accepted that such a risk would have been considered by PHMPL and priced into the HMA.[326]

(c) The risks of financial distress or a loss of the performance guarantee during the COVID-19 period.[327] These risks would have been considered in a valuation using DCF on account of the reduction of revenues during COVID-19. Further, there are exceptions found in several HMAs which the hotel managers could rely on such that, if performance levels were not met, the hotel manager would not be liable. Mr Osborne accepted that these exceptions would "definitely" apply during 2020, even though it was not obvious to him that they would apply during 2021 or 2022.[328] In light of my findings below on the hotel

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324 NE 4 March at p 149; Christopher James Moffett Osborne's 1st Affidavit of Evidence-in-Chief at CO-2 ("CO1") at para A3.19.

325 CO1 at para A3.19.

326 NE 4 March at pp 151–152.

327 NE 4 March at p 108; CO1 at para A3.19; Christopher James Moffett Osborne's 2nd Affidavit of Evidence-in-Chief at CO-3 ("CO2") at paras 3.11–3.18.

328 NE 4 March at p 185.

industry's likelihood of recovery from COVID-19, I find that such exceptions would also have applied for 2021 and 2022.

(d) The hotel owner refusing to grant consent for the HMA to be transferred,[329] where consent is required for such transfer. But there was no evidence that any of the hotel owners would have refused consent. In any event, the issue of consent is irrelevant:

(i) Mr Law sold the HMAs to PHGM without first seeking consent from any of the hotel owners (where such consent was required). In any event, even if consent was not forthcoming, the terms of the sale to PHGM provided that PHGM would receive the economic benefit of the HMA.[330] There was therefore no basis to exclude or discount the value of any of the HMAs for lack of consent.

(ii) I note that Mr Osborne did not himself factor any risk of lack of consent in his valuation.

(iii) For completeness, consent was irrelevant with respect to Grand Park Kodhipparu as the sale was of the shares of Park Hotel Maldives (which owned the HMA) and not the HMA itself.

198 I now deal with the Contracts which Mr Osborne excluded.

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329 NE 4 March at pp 148, 171–172; CO1 at para A3.19.

330 1AB147.

(A) PARK HOTEL CLARKE QUAY AND GRAND PARK ORCHARD

199 I agree with Mr Osborne that no value should be ascribed to the HMAs for Park Hotel Clarke Quay and Grand Park Orchard. I have found that PHCQ and GPOR were insolvent as at 8 March 2021 and would not have been able to make any payments on these HMAs, thus rendering them of little value. Ms Chee valued them on the basis that their buyer will receive all the anticipated cashflows under the HMA,[331] which was plainly misconceived.

200 The plaintiffs argued that the landlords may, after terminating the leases with PHCQ and GPOR, directly engage the potential buyer to operate the hotels. The landlord would be incentivised to do so as de-flagging a hotel often involved significant costs.[332] Further, the potential buyer may propose to take over the HMA and engage the landlord directly.[333]

201 I reject these arguments. Not only are they speculative – the landlords would not be under any obligation to accept the buyer's proposal – they are also irrelevant as any HMAs entered between the landlords and the buyer would be entirely new contracts and (likely) on different terms. They would have little or no relevance to the value of the existing HMAs for Park Hotel Clarke Quay and Grand Park Orchard.

(B) GRAND PARK WUXI

202 Grand Park Wuxi is owned by Wuxi Garden City Mall Hotel Co. Ltd ("Wuxi Garden"), which is a party related to Mr Law.[334]

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331 CHY2 at para 1.5.

332 NE on 5 March 2025 ("NE 5 March") at p 120.

333 NE 5 March at p 120.

334 LCH1 at para 23.

203 Mr Law's evidence is that a supplemental agreement was entered with Wuxi Garden in 2012 ("the Wuxi Supplemental Agreement") where PHMPL agreed that the fees payable under the HMA "shall be waived **until further notice**" (emphasis added).[335] As a result, no fees appear to have been collected under the HMA since 2012.[336]

204 The parties' arguments turned on the meaning of the phrase "until further notice". The Wuxi Supplemental Agreement was governed by Chinese law, but no evidence of the meaning of "until further notice" under Chinese law was led. I therefore apply the principles of interpretation under Singapore law: *Ollech David v Horizon Capital Fund* [2024] SGHC(A) 8 at [54]. These were summarised by the Court of Appeal in *Master Marine AS v Labroy Offshore Ltd and others* [2012] 3 SLR 125 (at [41]), including:

(a) the aim of the exercise of construction is to ascertain the meaning the document would convey to a reasonable businessperson;

(b) the courts will give regard to the overall commercial purpose of the parties in entering into the transaction; and

(c) an interpretation that leads to very unreasonable results will be avoided unless it is required by clear words and there is no other tenable construction.

205 Mr Law's evidence was that the fees could only be reinstated with the *agreement* of Wuxi Garden and that PHMPL "will still not be able to collect any fees and will still need to provide the service until the end date of the

335 LCH1 at para 93(a).

336 LCH1 at para 93(a).

contract".[337] I do not accept that evidence, which was based entirely on Mr Law's (alleged) understanding and not on any extraneous evidence relevant to the interpretation of the Wuxi Supplemental Agreement. The relevant phrase was "until further notice" and not "until further agreement" and meant that the decision to reinstate would be made by one party, which would give notice to the other. Commercial logic dictated that the deciding party would be the one providing the service and receiving the fees, *ie*, PHMPL. The defendants' interpretation obliges PHMPL to perform its services for free even if Grand Park Wuxi made a profit, which could not have been intended by the parties.

206 The defendants then argued that the phrase "until further notice" was unclear and that a prospective buyer would not ascribe any value to the HMA as there may be costly and protracted litigation in the event of a dispute over its interpretation.[338] But that is speculative – there is no evidence that Wuxi Garden had ever taken the position that its agreement was necessary before the obligation to pay fees can be reinstated. Mr Law could have procured that evidence given his relationship with Wuxi Garden but failed to do so. To the contrary, Ms Tan conceded that there was value to PHGM in taking on the HMA for the Grand Park Wuxi hotel, and that there was a "non-zero possibility that the Fee Waiver Arrangement may be lifted in the future".[339] In any event, the value of the HMA should be assessed objectively and not be affected by speculative or unmeritorious positions that Wuxi Garden may take.

337 NE 18 February at pp 109–111.

338 DCS at para 108.

339 NE 25 February at p 104.

207 The defendants also argued that Wuxi Garden would not consent to the assignment if a potential buyer were to refuse to honour the fee waiver.[340] But this is again speculative – as stated above, a potential buyer would be entitled to reinstate the fees by giving reasonable notice, and Clause 21.3(b) of the HMA provides that the owner (Wuxi Garden) shall not unreasonably withhold its consent.[341] Further, as highlighted above, consent to the assignment was irrelevant as the transfer to PHGM was made on the basis that it would enjoy the economic benefits of the HMA even if consent was not given.

208 I therefore reject the defendants' position that the HMA for Grand Park Wuxi should be excluded.

(C) PARK HOTEL MALACCA AND PARK HOTEL PENANG

209 Park Hotel Malacca and Park Hotel Penang were upcoming hotel projects in Malaysia. PHMPL entered agreements in relation to both hotels, with the understanding that it would provide services to the hotels when they opened:

(a) in relation to Park Hotel Malacca, PHMPL entered an HMA and an LA with Jaya Mapan Property Sdn Bhd ("Jaya Mapan") in 2015;[342] and

(b) in relation to Park Hotel Penang, PHMPL entered an HMA, an LA and a TSA with Laksana Positif Sdn Bhd ("Laksana") in 2019.[343]

340 DCS at para 112.

341 1AB772.

342 TSH1 at paras 57–60.

343 TSH1 at paras 47–49.

210 Because of COVID-19, the construction of the hotels were suspended or delayed, and both were not operational as of March 2021.[344] The HMAs in relation to Park Hotel Malacca and Park Hotel Penang were subsequently terminated in or around September[345] and on 23 December 2021 respectively.[346]

211 Mr Osborne excluded the agreements in relation to both hotels as he (a) was instructed that there had been significant delays in the completion of the hotels, and it was unclear when or even whether the hotels would become operational;[347] and (b) relied on the subsequent termination of both HMAs.[348] Ms Chee valued the HMAs on the basis that both hotels would eventually open, albeit delayed.[349]

212 I disregard the fact that the HMAs were subsequently terminated as I find that this would not have been known or reasonably anticipated as at March 2021.

213 With respect to Park Hotel Penang, the evidence suggests that as of March 2021, PHMPL anticipated that the HMA would likely come into effect:

(a) A meeting between PHMPL and Laksana was scheduled on 5 March 2021 to discuss the design of the hotel, and potential changes to the hotel's layout to cater to the COVID-19 situation, suggesting that the

344 TSH1 at paras 50, 60.

345 2AB484.

346 2AB622.

347 CO1 at para 3.9.

348 CO1 at para 1.18.

349 CHY2 at para 1.9

project was only delayed.[350] I note that Mr Osborne was not informed of this. Upon being told, he conceded that he would not assume that the "[HMA] will not become operational or that it will be necessarily delayed".[351]

(b) After the trial, the defendants gave discovery of further documents relating to Park Hotel Penang, which were admitted by consent. No good explanation was offered as to why these were not discovered earlier. The documents revealed that Laksana was willing to enter a deed for the novation of the HMA for Park Hotel Penang from PHMPL to PHGM in early June 2021 but could not do so due to the lockdown in Malaysia that month.[352] This confirmed that Laksana and PHGM considered the HMA viable as at March 2021.

214 I therefore accept the plaintiffs' argument that the more reasonable approach was to assume that the opening of Park Hotel Penang, and the benefits to be received under the HMA, would be delayed. In this regard, Ms Chee estimated an interval of about eight years and five months between the date of signing of the HMA and its expected opening date,[353] such that Park Hotel Penang would only open in May 2028. I find these assumptions reasonable and better reflected the value of the HMA.

215 The terms of the LA with Laksana stated that the LA would remain in effect for the duration of the HMA for Park Hotel Penang.[354] I therefore apply

350 2PB349.

351 NE 5 March at pp 141–142.

352 4PB326–338, 340.

353 CHY2 at paras 1.8–1.9.

354 2AB571.

the same assumption above, *ie*, that the benefits to be received under the LA would be delayed until May 2028, when Park Hotel Penang would (likely) open.

216 Neither Valuation Experts ascribed a value to the TSA for Park Hotel Penang. As was noted by Ms Chee, the fees under the TSA had been paid up before the ASTA was entered.[355] I therefore exclude it from the valuation.

217 Park Hotel Malacca stood on a different footing. After the HMA and LA with Jaya Mapan were entered, Jaya Mapan encountered financial difficulties and put the construction of the hotel on hold. Subsequently, it entered a development agreement with TE Hotel Sdn Bhd ("TE Hotel") to develop the hotel.[356]

218 In 2019, PHMPL entered a TSA with TE Hotel, in which TE Hotel represented that:[357]

(a) pursuant to the development agreement, TE Hotel would have "indefeasible and marketable title to the Hotel" upon its completion – in other words, it would be the new owner of the hotel; and

(b) "PHMPL [would] be appointed to manage and operate the hotel … at least 9 months prior to the Commencement Date".

However, and importantly, as of March 2021, there was no HMA in place between TE Hotel and PHMPL.

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355 Chee Hok Yean's 1st Affidavit of Evidence-in-Chief at CHY-2 ("CHY1") at para 6.1.

356 TSH1 at para 60.

357 2AB459.

219 What happened subsequently were negotiations for a HMA between PHGM and TE Hotel. However, when Ms Tan, as PHGM's representative, sent an e-mail to TE Hotel on 8 September 2021 about this, TE Hotel indicated that it was unlikely to "re-sign" the agreements with PHGM.[358] The agreements were terminated later in or around September 2021, due to news of PHMPL's winding up.[359] TE Hotel eventually completed the hotel and appointed a different manager.[360] In short, there was no HMA with TE Hotel in place as at March 2021, and no obligation on the part of TE Hotel to enter into one with PHMPL.

220 I therefore find that no value should be ascribed for the HMA and LA entered between PHMPL and Jaya Mapan as at March 2021 since Jaya Mapan would no longer be the hotel owner and those agreements were no longer effective. The plaintiffs argued that this would essentially provide PHGM with a "no-risk" option, allowing it to enjoy a windfall if the project eventually materialised but bear no risk at all if the project terminated – this would be uncommercial and unfair to PHMPL, and there should be some value ascribed to such a "no-risk" option.[361] I accept that some value may be ascribed to the *opportunity* of entering a new HMA with TE Hotel – but the plaintiffs did not run its case, and Ms Chee did not offer a valuation, on this basis. I therefore exclude the HMA and LA for Park Hotel Malacca from the valuation.

221 This leaves the TSA for Park Hotel Malacca – given that this was an existing agreement with TE Hotel, I see no basis to exclude it from the valuation.

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358 2AB483.

359 2AB484.

360 87AB577.

361 Plaintiffs' Closing Submissions ("PCS") at para 255.

(D) PARK HOTEL HONG KONG

222 Park Hotel Hong Kong was unique as it was the only hotel in PHMPL's stable that did not have an HMA. Instead, PHMPL had in place an LA ("HK Franchise Agreement") with the hotel owners, who were related to Mr Law.

223 The defendants relied on the following clauses in the HK Franchise Agreement:[362]

> 8.6 [PHMPL] warrants that its rights in relation to the Intellectual Property are valid.
>
> …
>
> 10.1.1 [E]ither Party may also give notice in writing to the other Party ("Defaulting Party") terminating this Agreement with immediate effect if the Defaulting Party commits any material breach of any of the provisions of this Agreement …

They argued that transferring the "Park Hotel" trademarks to a third-party (as PHMPL had done) would be a breach of Clause 8.6, which allowed the immediate termination of the LA.[363] Such a risk would cause a potential buyer to not place any value on the HK Franchise Agreement,[364] with the result that Park Hotel Hong Kong should be excluded.

224 However, there is no reason to assume that the HK Franchise Agreement would be sold separately from the trademarks. The HK Franchise Agreement was in fact sold to PHGM together with the trademarks. I therefore see no basis to exclude it.

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362 2AB356.

363 DCS at para 132.

364 DCS at para 133.

(E) THE OTHER CONTRACTS AND THE HMA FOR GRAND PARK KODHIPPARU

225 Ms Chee did not assume that any of the Contracts would be terminated before its contractual end date as there was no risk of termination foreseeable as at 8 March 2021.[365]

226 Mr Osborne assumed that several Contracts (aside from the HMAs for Grand Park Orchard, Grand Park Wuxi, Park Hotel Clarke Quay, Park Hotel Penang and Park Hotel Malacca dealt with above) would be terminated early in what he termed his "higher" and "lower" scenarios:

(a) Under the higher scenario, each hotel's recovery to pre-COVID-19 levels was assumed to be faster and the portfolio of HMAs covered all the active Contracts[366] – including the HMA for Grand Park Kodhipparu.[367] Related party agreements were assumed to continue until their expiry, but without renewal.

(b) The lower scenario adopted a relatively pessimistic outlook on the pace of recovery to pre-COVID-19 levels.[368] Further, revenue from only some of the Contracts would be expected to continue up to the end of their existing terms.[369]

227 In the higher scenario, Mr Osborne assumed that the HMAs for Park Hotel Alexandra, Park Hotel Farrer Park, Destination Singapore Beach Road and Park Hotel Xi'an would be terminated on the dates they were in fact

365 CHY1 at Annexes S and T.

366 CO1 at para 3.39.

367 CO1 at para 4.7.

368 CO1 at para 3.35.

369 CO1 at paras 3.35, 4.27.

terminated (all after March 2021).[370] I reject this as it was a clear violation of the rule against taking into account facts subsequent to the valuation date.

228 Mr Osborne also failed to consider the reasons for the early terminations:

(a) The HMA for Park Hotel Alexandra was terminated on 25 February 2022,[371] with six months' notice. As at 8 March 2021, there was no reason to anticipate this would happen. Insofar as the terms of HMA allowed for early termination, that risk already existed at the time it was entered and would (presumably) have been priced into the HMA. Notably, PHGM received substantial compensation of S$2,200,369 for the early termination of the HMA,[372] which Mr Osborne did not include in his valuation. This exposed the inconsistency in his analysis.

(b) The HMAs for Park Hotel Farrer Park and Destination Singapore Beach Road were likely terminated due to PHMPL's winding up – the termination letters were issued after the PHMPL's winding up had been ordered,[373] and both termination letters referred to PHMPL's letter stating that it had no objection to the winding up order being made. For the reasons above, I do not regard termination for this reason as relevant.

(c) The HMA for Park Hotel Xi'an was terminated in or around January 2024 due to a sale of the underlying hotel property. For the reason above, I do not consider termination for this reason relevant.

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370 CO1 at para 4.7.

371 75AB5.

372 53AB580.

373 2AB335–337; 1AB311.

229 In Mr Osborne's lower scenario, he assumed (without giving reasons) two additional HMAs – Grand Park Kunming and Grand Park Kodhipparu – would be terminated prematurely in December 2021.[374] Mr Osborne explained under cross-examination that he had made these assumptions because Grand Park Kodhipparu was the best performing hotel and Grand Park Kunming was the worst performing hotel in order to give a "balanced choice".[375] He conceded that he "could have equally taken out some different ones and left [Grand Park Kodhipparu] in".[376] This demonstrated the arbitrariness of his assumptions.

230 I find that Mr Osborne's approach to assume early terminations in both his higher and lower scenarios was without principle, and I reject the same. There was no basis to exclude or discount the above HMAs from the valuation.

(3) Renewal of the Contracts

231 The Valuation Experts disagreed on whether the Contracts and the HMA for Grand Park Kodhipparu should be valued based on whether they would be renewed.

232 In Ms Chee's "primary scenario":[377]

> (a) where the agreement contractually provides for an option to renew (see below at [236] for example), *ie*, the HMAs for Park Hotel Alexandra, Park Hotel Farrer Park, Destination Singapore Beach Road, Grand Park Kodhipparu, Park Hotel Penang and Park Hotel Malacca,

374 CO1 at para 4.27, Figure 4.8.

375 NE 4 March at p 124.

376 NE 4 March at pp 141–142.

377 CHY1 at Annex T; CHY2 at Annex AZ.

she assumed that they would be renewed for two terms of five years each; and

(b) where the agreement had been previously renewed (*ie*, the HMAs for Grand Park Kunming, Grand Park Otaru, Grand Park Wuxi and Park Hotel Xi'an) and/or the owner of the hotel is a party related to PHMPL (*ie*, all the above HMAs which had been previously renewed, together with the HMA for Grand Park City Hall and the HK Franchise Agreement), she assumed that they would be renewed for an additional ten-year term.

233 Mr Osborne did not value the Contracts and the HMA for Grand Park Kodhipparu beyond their contractual termination dates, *ie*, he assumed that those which had not already been terminated would not be renewed. His view was that (a) renewals are secured because of *the buyer's* effort in performing the agreements and developing the relationship with the hotel owner, and a buyer would therefore not pay for what he would achieve through his own efforts;[378] and (b) in relation to related party contracts, a buyer would not likely expect, and therefore pay for, a renewal as the related party would not likely renew but favour awarding the contract to Mr Law's family (given their existing business model).[379] In this regard, it was pointed out by the defendants that there was no record of any of the related party hotels being managed by a third-party.[380]

234 I accept Mr Osborne's position.

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378 NE 4 March at p 103.

379 NE 4 March at pp 26–27.

380 NE 4 March at p 90.

235 As a preliminary point, I see no principled distinction between agreements involving hotels owned by persons related to Mr Law and non-related hotel owners. They would each presumably act in their best commercial interests, and no evidence was led that owners related to Mr Law would have different considerations.

236 The difficulty with the plaintiffs' case was that the renewal clauses (which were materially identical across the HMAs) were not automatic or at the sole discretion or option of the manager. In each case, the *hotel owners* could determine, in their discretion, that they did not want to renew. I reproduce the renewal clause from the HMA for Park Hotel Farrer Park as an example:[381]

> There shall be two (2) options to renew this Agreement for an additional five (5) years ("Renewal Term") each on the same terms and conditions unless otherwise agreed in writing, *provided that either Owner or Manager may give written notice to the other party at least twelve (12) months prior to the end of the Initial Term or the relevant Renewal Term* (as the case may be) that this Agreement may not be renewed. …
>
> (emphasis added)

In the circumstances, it would be inappropriate to assume the HMAs would be renewed (as Ms Chee had done) when that decision was not entirely in the hands of the hotel manager. A potential buyer would have to consider the serious risk of non-renewal in determining a fair price to pay. Ms Chee's valuation did not consider, or apply a discount for, those risks. I accept that there is a *possibility* of renewal, and that there may be some value in such a possibility. But Ms Chee's valuation was not provided on this basis and cannot be accepted.

237 The plaintiffs argued that:

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381 2AB264.

(a) The potential buyer would be keen on a renewal in certain countries, such as Singapore, where it is considered an important market in the Asia Pacific for a hotel to have its brand presence.[382]

(b) There are advantages of incumbency (the hotel manager would be an incumbent, by the time the HMA is due for renewal), which hotel owners would likely consider favourably.[383] The owner would otherwise have to de-flag the hotel, change the branding and enter a new contract.

(c) Some of the HMAs (for Grand Park Kunming, Grand Park Otaru, Grand Park Wuxi and Park Hotel Xi'an) had previously been renewed for a ten-year term. Given the track record of renewal, it stands to reason that these HMAs would be renewed for another term.[384] Likewise, Grand Park City Hall and Park Hotel Hong Kong, which are also related party agreements, would likely also be renewed for an additional term, seeing that other related party HMAs had all been renewed previously.[385]

238 However:

(a) the fact that the hotel manager may desire renewal does not mean that the owner will want it;

(b) while there may be advantages of incumbency, that is not the only consideration for hotel owners; and

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382 NE 5 March at pp 103–104.

383 CHY1 at para 4.7.

384 CHY1 at para 4.7.

385 CHY1 at para 4.7.

(c) the fact that related party HMAs had been renewed previously does not offer any assurance that it will be renewed again. Further, as Mr Osborne rightly pointed out, the argument works against the plaintiffs as a related party such as PHGM would not expect to pay for the benefit of renewal given its existing relationship with the hotel owner.

239 To buttress her opinion on the importance of incumbency, Ms Chee provided a list of 14 transactions in Singapore in 2019 and 2020 to support her argument "most of the international branded hotels transacted in 2020 and 2019 have kept the original operator-manager" unless the property acquired was by an owner-operator group or the property itself is an independent hotel.[386] I do not find this persuasive as it does not address the risks raised above, which Ms Chee did not consider in her valuation.

240 Recognising the difficulty with her analysis, Ms Chee offered in her report a "second scenario", which she described in her as "purely [for] reference check".[387] But her "second scenario" still assumed that all the third-party contracts would be renewed for a further two terms of five years each, which I do not accept for the reasons stated above.

241 In the circumstances, I find that the relevant HMAs should be valued on the basis that they would expire at the end of their respective contractual terms.

386 CHY2 at para 1.13.

387 CHY1 at para 4.21.

(4) Recovery from COVID-19

242 Ms Chee assumed that international tourism would return to pre-COVID-19 levels by 2023.[388] In contrast, Mr Osborne took the position that business travel would only recover by 2026, while leisure travel would recover faster by 2024.[389]

243 I accept Ms Chee's position. It was consistent with the views held by a majority of the experts surveyed for the United Nations World Tourism Organization's ("UNWTO") publication in 2021 on the anticipated effects of COVID-19.[390] Mr Osborne also relied on this survey as well as projections by the Pacific Asia Travel Association ("PATA Article"),[391] which projected a 97% recovery in Asia (where all the relevant hotels were located) by 2023 – this supported Ms Chee's position.

244 Mr Osborne's analysis was affected by other material and adjustments he had made, which were highly selective and problematic.

245 First, he relied on the projections in a report published by Morningstar ("Morningstar Report").[392] However:

(a) Morningstar is an equity analyst house and no explanation was given as to why it would be authoritative source on the subject of recovery in the hotel industry.

388 CHY1 at para 4.14(c).

389 CO1 at para 3.18.

390 CO1 at CO-5.

391 CO1 at CO-14.

392 CO1 at para 3.18, CO-23.

(b) The Morningstar Report merely stated that it projected that "global air volumes" for leisure travel would recover to 2019 levels by 2024, while corporate air travel would recover by 2026.[393] As was accepted by Mr Osborne, the data related to global travel – with no geographical distinctions – and not the hotel industry. It also did not consider the recovery rates for other modes of travel, which would be relevant in the context of hotels in China, which relied on domestic customers.

(c) Although the Morningstar Report adopted a 75/25 split between corporate air travel and leisure air travel, Mr Osborne adopted a 50/50 split for no "conscious" reason,[394] underscoring the selectiveness in his treatment of the data.

246 Mr Osborne also did not offer any supporting data for his claim that the hotel industry in Japan, Singapore and Hong Kong would recovery by 2026, 2027 and 2028 respectively.[395] In fact, he claimed to have relied on the PATA Article, which projected a 97% recovery in Asia by 2023. Mr Osborne then made his own country-specific adjustments to the recovery rate, and estimated the revenue earned under each HMA accordingly,[396] which he admitted were "subjective".[397]

247 Mr Osborne also chose 2025 as the starting point of the recovery for hotel industries without any reasonable basis. For example:

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393 CO1 at CO-23.

394 NE 5 March at p 206.

395 NE 5 March at pp 167–168.

396 CO1 at Appendix 4.

397 NE 5 March at p 170.

(a) For Singapore, he relied on a dated quote from the CEO of Singapore Tourism Board, who said in September 2020 that it could take "three to five years for the international arrival numbers to return to 2019 levels".[398] This prediction did not cite any supporting data and was made before the rollout of vaccines. Mr Osborne also took the upper end of the prediction without providing any reason for doing so.

(b) For Maldives, even the articles cited in Mr Osborne's own report stated that Maldives was amongst the top five markets least impacted by COVID-19, that "Maldives tourism [was] looking up after re-opening" and that "[t]he Maldives [was] seeing optimistic results with recovery trends".[399] Mr Osborne accepted that he ought to have made adjustment to this starting point of 2025.[400] I also note that the managers of Grand Park Kodhipparu themselves had reported "positive performance" in February 2021 which exceeded their forecast and budget, and had updated their forecast in February 2021.[401] This was not brought to Mr Osborne's attention by the defendants.

248 I therefore accept Ms Chee's position that the valuation should factor that international tourism would likely return to pre COVID-19 levels by 2023.

(5) Discount rate

249 The weighted average cost of capital ("WACC") rate represents the appropriate discount rate that considers the cost of the capital invested in the

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398 CO1 at A4.9.

399 CO1 at CO-10, CO-45.

400 NE 5 March at p 222.

401 2PB234.

business, reflects the business' risk and capital structure (both debt and equity), and aligns with investor expectations for the returns on the investments. It is an important element in the DCF analysis – a higher WACC rate will result in a lower valuation, and *vice versa*.

250 Ms Chee adopted the following WACC rates depending on the country in which the hotel was situated: 5.43% (Singapore); 5.86% (China); 3.86% (Japan); and 5.95% (Malaysia).[402]

251 In contrast, Mr Osborne adopted a WACC rate of 8% to 10%.[403]

252 Both experts calculated the WACC using different approaches. Ms Chee calculated it based on, among others, data from five companies in the hospitality industry with assets in Asia, which she assessed to be a good reference point.[404] Mr Osborne agreed that Ms Chee's approach was acceptable.[405]

253 On the other hand, Mr Osborne derived his rate on the assumption that a potential third-party would fund the purchase of the HMAs purely by equity. This had the effect of increasing the risk and therefore lowering the value of the HMAs. However, Mr Osborne was not able to provide any basis for doing so, save to assert it was a "natural assumption".[406]

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402 CHY1 at para 4.17, Annex N.

403 CO2 at para 4.24.

404 NE 6 March at pp 57–58.

405 NE 6 March at p 83.

406 NE 6 March at pp 70–71.

254 Further, Mr Osborne relied on data compiled by Professor Aswath Damodaran,[407] which was for companies in the hotel and gaming industry and comprised largely of companies from the United States. These were not suitable comparators.

255 On the balance, I prefer the WACC rates applied by Ms Chee. I note that Mr Osborne conceded in his report that the resulting differences in the WACC rates adopted by the Valuation Experts were "generally small".[408]

(6) Expense ratio

256 The expense ratio refers to the proportion of a company's expenses relative to its revenue. A lower expense ratio (*ie*, higher profit margin) results in a higher valuation in a DCF analysis.

257 Ms Chee adopted a 69% expense ratio based on PHMPL's budget for year 2021.[409] She testified that this was a conservative approach, as this expense ratio was higher than PHMPL's average expense ratio based on its historical performance.[410]

258 While Mr Osborne determined an expense ratio of between 70% to 80% (depending on different scenarios), the defendants did not oppose Ms Chee's expense ratio of 69% in their closing submissions.[411]

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407 CO1 at CO-76.

408 CO2 at para 4.22.

409 CHY1 at para 4.18.

410 CHY1 at para 4.18(a), (d).

411 DCS at para 136.

259 Notably, neither expert applied the expense ratio of 90% or the method adopted by Mr Law and Ms Tang, *ie*, the average of the expense ratios of Marriott, Intercontinental Hotel Group and Accor (see above at [101(b)]), confirming that it was excessive and unjustified.[412]

Valuation of Yan Pte Ltd

260 The valuation of Yan Pte Ltd largely turned on whether it was reasonable to assume that the landlord of YAN and Smoke & Mirrors, NGS, would renew their respective leases. The leases were expiring in September 2021 and Ms Chee assumed that they would be renewed for two terms of three years each,[413] while Mr Osborne assumed that the leases would not be renewed and the businesses would therefore close in September 2021.[414]

261 I am of the view that the valuation should be based on the leases being renewed as it was highly likely that this would happen:

(a) The evidence showed that PHMPL was preparing to negotiate the renewal of the leases in January 2021. Mr Law conceded that he wanted to renew the lease with NGS.[415] In January 2021, Ms Tan prepared (in anticipation of negotiations with NGS) projections of the rent payable by YAN and Smoke & Mirrors, on the basis that NGS would grant certain rental reliefs to Yan Pte Ltd and that the leases would be renewed.[416]

412 4AB353.

413 CHY1 at para 9.2.

414 CO1 at para 5.19.

415 NE 18 February at pp 32–34, 37.

416 NE 20 February at p 95; 62AB645; 63AB111.

(b) Importantly, NGS appeared keen to renew as well. On 23 March 2021, it sent an unsolicited e-mail to Yan Pte Ltd and invited them to discuss the renewal of the leases.[417] While this e-mail post-dated 8 March 2021, it is evidence of NGS' position at the relevant time. As Ms Chee testified, this position reflects the reality that given the COVID-19 situation at the time, it would have been difficult for NGS to secure a replacement tenant.[418] Mr Osborne also shared the view that: "the restaurant and bar had historically been successful, and [NGS] might have preferred continuity of its restaurant offering".[419]

262 While the above (which Mr Osborne conceded are "good facts in terms of likelihood of renewal")[420] are sufficient for my finding, I also rely on the fact that the leases were in fact renewed. While this happened after 8 March 2021, it is evidence of the parties' respective attitudes towards renewal at the relevant time, *ie*, that they were keen on, and believed that there were good prospects for, renewal. I also note that, despite having planned for the renewal since January 2021, Mr Law and Ms Tan waited until *after* the sale of Yan Pte Ltd to PHGM before reaching out to NGS to discuss renewal.[421] This suggests that they were confident of renewal but waited until after the sale to suppress the value of Yan Pte Ltd.

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417 70AB117.

418 NE 6 March at pp 101–102.

419 CO1 at para 1.37.

420 NE 6 March at p 121.

421 LCH1 at p 1813.

263 Given the depressed market conditions during COVID-19, there was no reason to believe, as at March 2021, that the renewal would have been on less favourable terms.

264 I therefore agree with Ms Chee and find that it is reasonable to assume one renewal of the lease for three years but reject her assertion that it would also be renewed for a *further* term of three years thereafter, for which she offered no basis. On the contrary, the renewal term in the leases provided:[422]

> If [Yan Pte Ltd] wishes to have a tenancy of the Premises (in whole and not in part) for a further term of three (3) years, [Yan Pte Ltd] shall serve a written request on [NGS] not less than six (6) months before the end of the Term, and [NGS] may, at its sole discretion, agree to grant [Yan Pte Ltd] a tenancy for such further term from the end of the Term, at such rent and on such terms and conditions (including a provision for a final term which shall not exceed three (3) years) to be agreed between the Parties, (if any).

Any renewal beyond three years, and the terms of that renewal (if any), would be speculative.

265 The plaintiffs argued that even if the lease were not renewed, or renewed for a further three years, YAN and Smoke & Mirrors could continue their businesses elsewhere,[423] given that the value of its business is not tied solely to its location at NGS. However, YAN and Smoke & Mirrors were always based in NGS. There is also no evidence that either had acquired sufficient goodwill such that it could continue its operations at the same level at a different location. Ms Chee's computations also did not include the costs and expenses of uprooting the businesses from NGS and establishing them elsewhere.

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422 3AB400, 517.

423 NE 6 March at pp 93–94.

266 I agree with Ms Chee's view that the performances of YAN and Smoke & Mirrors would return to pre-COVID-19 levels by 2022, as dining restrictions were gradually being eased by March 2021.[424] Restrictions were expected to be further lifted over time, and there was pent up demand for dining outside.[425]

267 I reject Mr Osborne's valuation of S$1,000,000, in which he assumed anticipated earnings of S$500,000 with a multiple of three on the basis that the lease would be renewed for a three-year term, and then applied a discount of S$500,000 to take into account the risks associated with lease renewal:[426]

(a) This computation appeared wholly arbitrary. Despite observing that YAN and Smoke & Mirrors "had historically been successful" and that their pre-COVID-19 profits were at or around $1,000,000 annually, Mr Osborne nonetheless made "an assumed reduction" of Yan Pte Ltd's anticipated earnings to a flat sum of only S$500,000 from 2021 until 2024. His explanation was to speculate that profits "might have been expected to … stay depressed in the short-term as government subsidies expired" and "captured by the landlord as part of the negotiations over lease renewal".[427] These assertions were made entirely without basis, and I reject them.

(b) The DCF method should be used where the asset in question can generate cash flow over a consistent period – this is not disputed by Mr

424 CHY1 at para 9.1(a).

425 NE 6 March at p 94.

426 NE 6 March at pp 104–106; CO1 at paras 1.38, 5.24.

427 CO1 at para 5.23.

Osborne.[428] In contrast, Mr Osborne did not cite any basis to support the method he adopted.

268 In the circumstances, I prefer Ms Chee's valuation of Yan Pte Ltd (subject to the qualification above at [264]).

Further input by the Valuation Experts

269 I invited the Valuation Experts to provide updated valuations for (a) the Contracts and the shares in Park Hotel Maldives and (b) Yan Pte Ltd based on my determination of the disputed issues as set out above (save for the issue of the HMAs to be excluded). On 20 June 2025, the Valuation Experts responded that they were unable to agree on several matters but acknowledged that the result of those differences was not significant.

(1) Updated valuation of the Contracts and Park Hotel Maldives

270 The Valuation Experts could not agree on: (a) the projection of the total management fee revenues; (b) the historical fee revenues in the base year; (c) the recovery path of hotel industries to pre-COVID-19 levels; (d) the assumed year-on-year inflationary growth; (e) the total fee revenues that would have been payable to PHMPL under the Grand Park Wuxi HMA in the base year of 2019; and (f) the recovery path of Maldives to pre-COVID-19 levels.

271 However, for the purposes of narrowing the valuation gap and reducing the areas of disagreement between the experts, Mr Osborne adopted Ms Chee's

428 NE 6 March at p 122.

methodology for (a) and (b) above.[429] I therefore proceed on the basis that these issues were not contested.

272 Ms Chee valued the Contracts (excluding the TSA for Park Hotel Penang) and Park Hotel Maldives at S$19,848,872[430] and US$2,420,290[431] respectively, while Mr Osborne valued the same at S$18,577,366[432] and US$2,052,096[433] respectively.

273 First, I prefer Ms Chee's approach towards modelling the recovery path of hotel industries to pre-COVID-19 levels by 2023, which entailed applying a 50% and 25% reduction to the 2019 management income to project the management income for 2021 and 2022 respectively.[434] These reductions were based on the projections made by the UNWTO.[435] Mr Osborne had applied a different set of reductions, depending on whether the Contract was for a leisure hotel or a mixed-use hotel.[436] Such a distinction was not made by the UNWTO, and Mr Osborne did not provide any basis for drawing one.

274 Second, I prefer Ms Chee's approach towards accounting for year-on-year inflationary growth, which entailed using the inflation rates of the respective countries in which the relevant hotel was based, applied from 2020

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429 Christopher James Moffett Osborne's Response to the directions from Court dated 6 June 2025 ("CO4") at para 2.4.

430 Chee Hok Yean's Response to the Directions from Court dated 6 June 2025 ("CHY4") at para 2.20.

431 CHY4 at para 3.12.

432 CO4 at para 2.1.

433 CHY4 at para 3.12.

434 CHY4 at para 2.11.

435 CHY4 at para 2.11.

436 CO4 at para 2.3(c).

onwards.[437] In contrast, Mr Osborne assumed a flat year-on-year inflationary growth of 2% only from 2023, and did not account for inflation prior to 2023.[438] I agree with Ms Chee that there is no basis (and Mr Osborne did not provide any) not to assume inflationary growth for the period 2021 to 2023 – considering inflation is essential when calculating the WACC rate.[439] I also agree that it is more appropriate to apply differentiated inflation rates of the respective countries as the WACC rates in different countries (based on Ms Chee's rates, which I had accepted) would be affected by their respective inflation rates.[440]

275 Third, I prefer Ms Chee's approach towards calculating the total fee revenues that would have been payable to PHMPL under the Grand Park Wuxi HMA in 2019. The Valuation Experts relied on different documents: Mr Osborne relied on Grand Park Wuxi's profit and loss statement for 2020;[441] while Ms Chee relied on a draft budget for Grand Park Wuxi for 2021 which included a detailed column on the *actual* 2019 figures for Grand Park Wuxi.[442] Ms Chee's approach, which was based on actual numbers for 2019, was more reliable.

276 Fourth, I prefer Ms Chee's approach towards modelling the recovery path of Maldives to pre-COVID-19 levels, which is relevant to the valuation of the Grand Park Kodhipparu and therefore the shares in Park Hotel Maldives. In respect of Maldives, Ms Chee did not apply the assumption that international

437 CHY4 at para 2.22(i).

438 CO4 at para 2.3(d).

439 CHY4 at para 2.22(iv).

440 CHY4 at para 2.22(v).

441 CO4 at para 2.5.

442 CHY4 at para 2.24(iii).

tourism would return to pre-COVID-19 levels by 2023 as she did in her previous reports (see above at [242]). She assumed instead that Maldives recovered from COVID-19 in 2021.[443] Mr Osborne assumed that Maldives would recover fully in 2023 but applied the approach which I have rejected above (at [273]).[444]

277 I agree with Ms Chee that Maldives' recovery from COVID-19 was at a faster pace:

(a) Maldives had re-opened its international border since mid-July 2020 to welcome international tourists, and the resorts in Maldives were able to capitalise on the advantages of "One-island-one-resort" to welcome travellers as guests could be kept isolated in its natural setting.[445]

(b) While the occupancy was not anticipated to return to pre-COVID levels, the high average daily rate (*ie*, the average price guests pay per occupied room) allowed hotel properties in Maldives to anticipate a near-to-pre-COVID-19 revenue per available room rate by 2021.[446] The high average daily rate was largely attributable to the relatively relaxed COVID-19 quarantine requirements for international travellers and sales in the higher room categories when travel restrictions were introduced globally.[447]

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443 CHY4 at para 3.3.

444 CO4 at para 2.6.

445 CHY4 at para 3.4(i); 2DB234.

446 CHY4 at para 3.4(ii); CO1 at CO-10.

447 CHY4 at para 3.4(ii); 2DB234.

(c) The general managers of Grand Park Kodhipparu had reported "positive performance" in February 2021, which exceeded their budget and forecast (see above at [247(b)]).

(d) Mr Osborne also acknowledged that Maldives had re-opened its borders in July 2020, and "had since become a popular destination for travellers with a surge in tourist arrival noted during the period leading up to March 2021".[448] At trial, he conceded that his own report, and the articles he relied on therein, painted an "optimistic picture" where Maldives was concerned.[449]

278 For these reasons, I accept Ms Chee's (updated) valuation of the Contracts and the shares in Park Hotel Maldives, save that I exclude the HMAs for Park Hotel Clarke Quay and Grand Park Orchard, the HMA and LA for Park Hotel Malacca and the TSA for Park Hotel Penang for the reasons earlier stated. This comes to a value of S$18,540,830.[450] The breakdown of the valuation of the individual Contracts and the shares in Park Hotel Maldives are at Annex 1.

(2) Updated Valuation of Yan Pte Ltd

279 Ms Chee valued Yan Pte Ltd (as at 8 March 2021) at S$3,431,455[451] while Mr Osborne valued the same at S$2,719,850.[452] They disagreed as to (a) whether any percentage reduction ought to be made to Yan Pte Ltd's net present

448 CHY4 at para 3.4(iv); CO1 at paras A4.18–A4.19.

449 NE 5 March at p 221–222.

450 CHY4 at para 2.20.

451 CHY4 at para 4.4.

452 CO4 at para 3.3.

value ("NPV") to account for corporate income tax; and (b) whether reinstatement costs ought to be included.

280 I agree with Ms Chee that there should not be any reduction to Yan Pte Ltd's NPV to account for corporate income tax, which would have been accounted for in the WACC rate applied for Yan Pte Ltd.[453]

281 With respect to reinstatement costs, I note that Mr Osborne had not accounted for this when he previously valued Yan Pte Ltd. Nonetheless, I find that it is reasonable to assume that Yan Pte Ltd would incur reinstatement costs at the end of its leases with NGS, which provide:[454]

> 5.15.2 Immediately prior to the expiration or earlier termination of the tenancy granted under this Agreement, [Yan Pte Ltd] ***shall, at [its] own cost and expense, upon receipt of [NGS'] written notice, demolish and remove any of the Approved Works*** (including any new buildings and structures erected by [Yan Pte Ltd], any fixtures and fittings installed at the Premises, and any other works as may be specified in [NGS'] notice, and make good all damage caused by such demolition and removal. All such aforesaid works shall be carried out and completed by [Yan Pte Ltd] by the expiration or earlier termination of the tenancy, and to the satisfaction of [NGS].
>
> [emphasis added]

I also accept Mr Osborne's valuation of such costs to be S$187,480[455] – which he based on a quotation obtained by Mr Law in April 2024[456] – given that Ms Chee did not provide any alternative figure. This quotation would reasonably reflect the costs of reinstatement anticipated in March 2021.

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453 CHY4 at para 4.8.

454 3AB412, 529.

455 CO4 at para 3.2.

456 LCH1 at LCH-37.

282 For these reasons, I value Yan Pte Ltd at S$3,276,927, *ie*, the value advanced by Ms Chee, less reinstatement costs.

Valuation of SIH

283 Although SIH's business primarily focused on training hospitality staff from hotels managed by PHMPL:[457]

(a) it also provided training courses to external parties;[458]

(b) it had qualified for the Singapore government's "SkillsFuture Singapore" scheme,[459] which offered Singaporeans subsidies to support their upskilling efforts; and

(c) Mr Law was contemplating as early as December 2019 to grow SIH's business by dissociating from PHMPL and operating independently to attract clientele from other hotel brands.[460] This was put in effect by the incorporation of SIOHPL on 4 March 2021 and the sale of SIH's business to SIOHPL under the BTA.[461]

284 The valuation of SIH turned on whether it was reasonable to assume that it would secure further training contracts once the existing ones expired.

285 Ms Chee's position was that SIH had potential as an independent business that could derive revenue from parties unrelated to PHMPL, such that

457 LCH1 at para 152.

458 CHY2 at para 2.2, Annex AQ.

459 CHY2 at para 2.2.

460 CHY2 at para 2.3, Annex AR.

461 NE 6 March at p 137.

its success was not solely dependent on the existing HMAs.[462] She assumed that the number of external trainees would increase by 25 persons each year, stabilising at 175 persons.[463] She derived these numbers by working "backwards" to arrive at the revenue earned in 2019.[464] It was not suggested to her why this was unrealistic or unworkable. On this basis, she arrived at two valuations, S$2,821,355 and S$2,611,206, which respectively reflected the value of the SIH business with and without the HMAs being renewed.[465]

286 In contrast, the assumption undergirding Mr Osborne's valuation was that SIOHPL would not secure *any* new business once the existing HMAs expired.[466] The principal reasons for this was that (a) the hotel owners related to Mr Law would not have an incentive to send their employees to SIH for training if it were owned by an unrelated party;[467] and (b) Ms Soh was driving the business in SIH and any potential buyer may not secure her continued employment.[468] He applied the DCF approach and valued the SIH business at no more than S$115,000.[469]

287 I reject Mr Osborne's position:

(a) There is no evidence to suggest that the hotels managed by PHMPL were sending their staff to SIH for training solely because it

462 CHY1 at paras 10.3, 10.6, Annex Y; CHY2 at paras 2.2–2.5.

463 CHY1 at para 10.3(a).

464 NE 6 March at p 157.

465 CHY1 at paras 10.4–10.7.

466 NE 6 March at p 141; CO1 at para 5.10.

467 NE 6 March at pp 138–139.

468 NE 6 March at p 173.

469 CO1 at para 5.10.

was a related party.[470] On the contrary, SIH had established itself as a reputable training school, having (a) secured a collaboration with EHL Hospitality Business School, a world leading hospitality institution;[471] and (b) qualified for the "SkillsFuture" scheme (see above at [283(b)]). The defendants did not give evidence of any other training business (none were even named) which the related party hotels would send their hospitality staff to if SIH's business was bought and managed by an unrelated party.

(b) Indeed, the rationale of incorporating SIH was to distance itself from PHMPL to attract customers from unrelated hotel owners or managers. Mr Law obviously considered that SIH had established itself to a point where it could do so.

(c) It would therefore be unrealistic to expect that the purchaser of SIH's business would not obtain new contracts, whether from related or unrelated hotel owners and managers. In fact, Ms Soh herself acknowledged that SIH's business would perform *better*, especially in terms of external contracts, if it were independent of PHMPL.[472]

(d) There is no objective evidence to corroborate the claim that Ms Soh was key to SIH's success, other than the defendants' self-serving assertion which Mr Osborne simply accepted. While I accept that Ms Soh was hired by PHMPL to run SIH because of her knowledge and experience in managing and conducting training programmes, that did not mean that SIH would be unable to sustain and grow its business

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470 NE 6 March at pp 137–138.

471 CHY2 at para 2.4, Annexes AS, AT.

472 NE 28 February at pp 10–11, 71.

without her or any other employee. Mr Osborne conceded this.[473] In any event, Ms Soh was the newly-minted director of SIOHPL – it is not her evidence that she would step away from the business if it were purchased by a third-party. Further, all the employees involved in SIH's business were transferred to SIOHPL under the BTA.[474]

288 Importantly, Mr Osborne's assumption that SIH would not attract new contracts was also at odds with Ms Soh's own budget projections in 2021, which she described as "realistic expectation of the revenue".[475] In those projections, Ms Soh anticipated healthy growth in SIH's business (see below at [290(b)]).

289 The defendants also objected to the expense ratio of 77% adopted in Ms Chee's projection,[476] highlighting that the historical profit margins for SIH were about 3.9% (which translated to an expense ratio of 96.1%).[477]

290 I agree with Ms Chee that using SIH's historical numbers may not be reliable as SIH had just been set up, and it is not uncommon to expect higher costs in the initial years. Further:

(a) SIH's actual expense ratio in 2020 was 66.7%[478] – Mr Osborne suggested that this was an aberration and a result of government grants

473 NE 6 March at pp 143–144, 147.

474 1AB171, 185.

475 NE 28 February at p 61.

476 CHY1 at para 10.5.

477 CHY1 at para 10.4(a).

478 CHY1 at para 10.4(b).

in 2020,[479] but did not explain how or by how much these grants would have affected SIH's expense ratio; and

(b) Ms Soh's own budget projection for 2021 anticipated an expense ratio of 76.8%.[480]

291 I therefore accept Ms Chee's valuation of SIH (based on no renewal of the HMAs). Ms Chee's projected revenue was based on SIH's own projections in 2021, and I find this to be a more reliable basis than that offered by the defendants.[481]

Valuation of IT systems, records, business names and insurance policies

292 Under the ASTA, PHMPL also transferred its IT systems, records, business names and insurance policies.

293 Mr Osborne relied on the book value of S$64,373.75 (which applied only to IT equipment, furniture and fittings) and approximated a maximum value of S$64,000.[482] He did not provide any valuation for the records, business names and insurance policies.

294 Ms Chee insisted that the value of the IT systems, records, business names and insurance policies (alongside the equipment, furniture and fittings) must be "higher than the Book Value of [S$]64,373.75".[483] However:

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479 CO1 at paras 5.6, 5.8.

480 CHY1 at para 10.4(d).

481 NE 6 March at p 167.

482 Valuation Experts' Joint Expert Statement at p 30; CHY1 at para 11.5(d); CO2 at para 1.7.

483 CHY1 at para 11.5.

(a) she did not provide an alternative value; and

(b) the plaintiffs did not challenge Mr Osborne's evidence that "the value of second-hand office furniture and equipment is often very low, or nil (regardless of its book value)".[484]

295 I therefore adopt the book value of S$64,373.75.

Valuation of PHA

296 Under the ASTA, PHMPL transferred entire issued share capital of PHA to PHGM. The Valuation Experts agreed that the value of PHA was nominal.[485] I therefore did not ascribe any market value to it.

Valuation of the IP

297 Under the TMAA, PHMPL assigned 135 trademarks and pending trademark applications ("PHMPL Trademarks") to PHGM for the sum of S$1.

298 Mr Law did not engage an expert to value the PHMPL Trademarks for the purposes of the TMAA and there is no contemporaneous document evidencing the basis on which he arrived at that value. His position in these proceedings was that because PHMPL could not sell the HMAs without the associated trademarks (which are required to perform the HMAs and related agreements), the value of the PHMPL Trademarks was embedded in the HMAs and related agreements and therefore already included in the consideration payable under the ASTA.[486]

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484 Valuation Experts' Joint Expert Statement at p 30.

485 CHY at para 8.7; CO1 at para 4.38.

486 LCH1 at paras 113–114.

(1) Whether the PHMPL Trademarks had inherent value

299 Mr Haigh took the view that the PHMPL Trademarks had inherent value, aside from the income generated under the HMAs.[487]

300 Mr Mayal accepted that the PHMPL Trademarks had inherent value but declined to quantify it. He took the position that the value was "low" because:

(a) the value was not in the PHMPL Trademarks *per se*, but in the quality of the management team – this was evidenced by the fact that most of the HMAs were with related parties and there were no HMAs with unrelated parties entered in the four years preceding PHMPL's liquidation;[488] and

(b) the Park Hotel Group had very few loyalty customers, and they contributed a small fraction of PHMPL's revenue.[489]

301 For the reasons below, I accept Mr Haigh's position.

302 As Mr Haigh pointed out, the fact that the PHMPL Trademarks are licensed together with other assets does not mean that they did not have any inherent value. An asset may be dependent on other assets to increase its own value, but this does not mean that the asset has no value in and of itself.[490] In this regard, it was not disputed that the existing HMAs were not exclusive and PHGM could license the use of the name, either alone or in new HMAs.

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487 NE on 7 March 2025 ("NE 7 March") at pp 52–53.

488 NE 7 March at pp 46–47.

489 NE 7 March at pp 43–44.

490 Alex Haigh's 2nd Affidavit of Evidence-in-Chief at AH-4 ("AH2") at paras 2.7–2.8, 2.11.

303 Mr Mayal agreed that the fact that there was a royalty stream within the HMAs evidenced that the PHMPL Trademarks themselves had value.[491] Mr Haigh's point, which I accept, is that if the PHMPL Trademarks had value, then any future agreements not included within the valuation of the existing HMAs would necessarily include the value of the PHMPL Trademarks.[492] Mr Mayal accepted that the existing HMAs did not confer exclusive rights over the use of the PHMPL Trademarks, and their owner could licence and re-licence them over and above the existing HMAs.[493]

304 In the circumstances, contrary to the defendants' contention, it was not the case that the PHMPL Trademarks had no value outside of the income streams generated from the existing HMAs.

305 Separately, Mr Haigh included the following assets in the valuation of the PHMPL Trademarks: (a) visual and marketing intangibles; (b) trade dress; and (c) registered and unregistered design rights (collectively, "Complementary Assets").[494]

306 I agree that the Complementary Assets should be included in the valuation as:

> (a) The Complementary Assets were necessary for the use and commercialisation of the registered marks. Valuing the PHMPL Trademarks together with the Complementary Assets would reflect the highest and best use of the PHMPL Trademarks, which is consistent

491 NE 7 March at pp 20–21.

492 NE 7 March at p 21.

493 NE 7 March at p 116.

494 Alex Haigh's 1st Affidavit of Evidence-in-Chief at AH-2 ("AH1") at para 5.5.

with the definition of "market value" in the IVS, as per paragraph 30.4 of the IVS.[495]

(b) The Complementary Assets were also transferred to PHGM but under the ASTA as part of PHMPL's intellectual property rights – see Clause 1.1(b), (d) and (e) of the ASTA.[496]

(c) It was PHGM's position that the TMAA was entered "only as a formality, and pursuant to the ASTA".[497] The TMAA and ASTA should therefore be read together to establish the scope of the rights sold by PHMPL to PHGM.

307 Mr Mayal could not provide any good reason why the PHMPL Trademarks should be valued without the Complementary Assets. In fact, Mr Mayal did not appear aware of the rights transferred by PHMPL to PHGM under the ASTA and failed to consider them entirely.[498] Mr Mayal accepted that it would be artificial to value only the PHMPL Trademarks without the Complementary Assets given that all these assets were sold to PHGM.[499]

308 I also find that Mr Mayal had downplayed the value of the PHMPL Trademarks. His position that the real value was in the quality of the management team was entirely based on his instructions from the defendants

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495 AH2 at Annexure V.

496 Joint Statement of Mr Haigh and Mr Mayal dated 27 February 2025 at p 10; AEH1 at p 146.

497 73AB454.

498 NE 7 March at pp 35–36.

499 NE 7 March at pp 31–39.

which he accepted without any or any reasonable inquiry. He did not even verify this assertion with the hotel owners.[500]

309 More importantly, Mr Mayal failed to consider, or give proper weight to, material evidence, some of which had not been disclosed to him:

(a) The "Park" brand had been around since 1961.[501]

(b) Not only was the "Park" brand known in the Asia Pacific region, it had also won multiple accolades and awards.[502] Mr Mayal simply dismissed this as irrelevant as the last award was in 2017,[503] which unreasonably downplayed the significance of the awards.

(c) As at March 2021, there were three HMAs with parties not related to Mr Law, with two others (Park Hotel Penang and Park Hotel Malacca) under-development. In addition, the Grand Park Kodhipparu hotel was established through a joint venture between Grand Park Maldives Pte Ltd (of which Mr Law is the sole shareholder and director) and a third party.[504] These evidence interest from external parties in the "Park" brand.

(d) Mr Mayal appeared to be unaware of numerous opportunities that PHMPL had engaged with other third parties to exploit the "Park" brand for hotels.[505] These included opportunities in Adelaide,

500 NE 7 March at p 154.

501 NE 7 March at p 126; AH2 at Annexure I.

502 AH2 at Annexure M.

503 NE 7 March at p 123.

504 NE 7 March at p 135; LCH1 at para 23.

505 NE 7 March at pp 137, 140–142.

Melbourne, Perth and South Korea. None of these were mentioned in his report. At trial, he said that most of these opportunities did not materialise and should therefore be disregarded. But some of these opportunities were terminated for reasons not related to PHMPL or the value of the "Park" brand, *eg*, the Adelaide and Melbourne projects could not obtain government approval;[506] the HMA for Park Hotel Yeongdeungpo in Seoul was terminated in December 2019 as the hotel owner failed to pay management fees;[507] and the deals for Park Hotel Penang and Park Hotel Malacca were stalled on account of COVID-19 (see above at [209]). As explained by Mr Haigh, the fact that PHMPL was able to enter multiple third party HMAs is an indicator of the value and demand for the PHMPL Trademarks.[508]

(e) Mr Mayal was also not aware of Park Hotel Kyoto, discussed below (at [347]–[359]), which was a joint venture with a third party which *did* materialise and therefore contradicted his instructions.[509] The defendants argued that Park Hotel Kyoto was not relevant as it was 70% owned by Mr Law's related company.[510] I reject that submission – the investment evidenced interest in the "Park" brand from a third party. Indeed, Mr Mayal did not make that argument – when asked about Park Hotel Kyoto, he said he did not have enough information to know if it would affect his opinion.[511]

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506 LCH1 at paras 26(a)–(b).

507 LCH1 at para 26(c).

508 NE 7 March at pp 82, 166.

509 NE 7 March at pp 144–145.

510 DCS at para 179(c).

511 NE 7 March at p 145.

(f) Mr Mayal also did not know that PHMPL or Mr Law was exploring opening "Park" hotels at Naka Island Phuket, Hong Kong, Kanuhura in Maldives and Bali.[512] He argued that these were acquisitions and that the acquisition price may therefore not be reflective of the value of the PHMPL Trademarks.[513] While that may be correct, it misses the point. They are evidence that PHMPL and Mr Law believed in the value of the "Park" brand and was intending to continue exploiting it even at the height of the COVID-19 pandemic.

(g) PHMPL spent resources to defend and maintain its portfolio of PHMPL Trademarks, even in countries where it was not doing business, *eg*, the United Kingdom. Obviously, PHMPL saw value in the PHMPL Trademarks.

310 Mr Haigh stated – and I agree – that the loyalty program numbers were not indicative of value.[514] He explained that customers would usually be members of more than one loyalty program and highly reputable names in the hotel business, such as Four Seasons, did not even have a loyalty program. Mr Mayal responded that low numbers might reflect that the management was doing a poor job[515] – but this contradicted his instructions and position that the value of the "Park" brand was in the quality of the management. In any case, Mr Mayal did not compare the Park Hotel Group's loyalty program with others in the industry,[516] and I therefore do not place much weight on this argument.

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512 NE 7 March at pp 146–147.

513 NE 7 March at pp 163–164.

514 NE 7 March at pp 87–88.

515 NE 7 March at p 89.

516 NE 7 March at p 155.

For completeness, Park Hotel Group's loyalty program is an asset separate from the PHMPL Trademarks and was not valued by both experts.

311 Mr Mayal also pointed out that the terms of the HMAs allowed the hotel manager to change the hotel's name without the owner's consent, which he argued suggested that there was little value in the "Park" brand.[517] I do not accept that argument, which was not included in any of his reports. The fact remained that the hotel owner had entered the HMAs for their hotels to be managed as a "Park" hotel, which is an indicator of the strength of the brand.[518] No evidence was led as to why this term was included or if it was a usual term in the hotel management business. It would also be reasonable to assume that the hotel manager would seek the best commercial outcome and would be unlikely to change to a *less* successful name. Importantly, there was no evidence that this right had ever been exercised.

(2) "Cost of creation" method

312 There is therefore good evidence that the PHMPL Trademarks had value beyond the fees earned under the Contracts, including the ability to secure new HMAs and other businesses. The more difficult issue was how to *value* them.

313 In this regard, Mr Mayal accepted that if PHGM had not purchased the PHMPL Trademarks, it would have had to establish a new brand if it wished to enter fresh HMAs.[519] He also accepted that the relevant cost would be that of

517 NE 7 March at p 97.

518 NE 7 March at p 100.

519 NE 7 March at p 50.

coming up with a name equivalent to "Park", *ie*, one which enjoyed the same branding and reputation as "Park".[520]

314 However, he argued that the costs of establishing an equivalent name was not substantial. He claimed that "[his] understanding is those costs are quite low and much lower than the figures put forward", but did not state the source of that understanding.[521] He later claimed that the costs were just the costs of registration and to "launch … a couple of big press releases to get the same visibility", which valuation was not part of his expertise.[522] I reject that argument. Mr Mayal's contention was that costs are low "because everything else remains equal – your hotels, your locations, the performance, the standards, the service standards, the theme".[523] In other words, he was referring to the costs of "re-branding" the existing hotels, which downplayed the value of the PHMPL Trademarks.

315 Further, to treat "Grand Park", "Park Hotel" and "Destination" brands as having the same value as any new brand is plainly misconceived. In the event, Mr Mayal did not investigate the costs associated with creating equivalent brands.[524] He did not undertake that exercise based on his (flawed) premise that there was little or no value to the PHMPL Trademarks outside the existing HMAs.[525] I find his evidence unhelpful.

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520 NE 7 March at p 51.

521 NE 7 March at pp 50–51.

522 NE 7 March at pp 52–53.

523 NE 7 March at p 53.

524 NE 7 March at p 160.

525 NE 7 March at p 121.

316 Mr Haigh explained that he valued the PHMPL Trademarks using the "cost of creation" approach (but with modification, as detailed below) which evaluates a brand's value by "calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence".[526] Mr Mayal accepted that the cost creation method would be useful where there are limited forecasts of financial information.[527]

317 Instead of calculating the current reproduction costs, Mr Haigh adopted the historical costs of creating the "Park" brand and inflated these to their value in March 2021.[528] Historical costs comprise two elements: (a) the costs of creating or acquiring the brand; and (b) the costs of developing the brand. Costs of maintaining the brand are excluded.[529] I accept this approach. Mr Mayal did not offer any alternative method, much less a better one. Nor did he assert that the historical costs approach was inappropriate – his objections were in respect of the way Mr Haigh applied the same (discussed below).

318 According to Mr Haigh, the "cost to recreate" approach comprised the following elements: (a) brand development costs, (b) IP costs, (c) advertising and promotion ("A&P") costs and (d) opportunity costs.[530]

319 Mr Haigh's principal opinion of the fair value of the PHMPL Trademarks under the "cost to recreate" approach as at 8 March 2021 and 23

526 2DB295: IVS at para 60.1.

527 NE 7 March at pp 118–119.

528 NE 7 March at p 240.

529 NE 7 March at p 239.

530 AH1 at para 3.12; 80AB501.

March 2021 were S$6,342,940 and S$6,368,153 respectively.[531] I shall adopt the valuation date of 23 March 2021 as that was the date of the TMAA.

320 Mr Haigh also advanced a "conservative" valuation, where the assumed date of brand development was based on the expiry date of the initial term of the HMAs, *ie*, without renewals.[532] Where there are multiple agreements for the same hotel brand, he adopted the last end date. In other words, the "conservative" approach assumed a buyer of the PHMPL Trademarks would only extract value *after* the expiry of the existing HMAs. His valuation as at 23 March 2021 under the "conservative" approach was S$3,576,038.[533]

321 I prefer Mr Haigh's "conservative" approach as it would avoid any issue of double counting given that the value of the existing HMAs would have been based on the income they would earn – such income would include a component attributable to the value of the PHMPL Trademarks, which would have factored the costs of creating the same.

322 I deal with each component of the "cost to recreate" method below.

(A) BRAND DEVELOPMENT COSTS

323 Mr Haigh derived the brand development costs for the "Park Hotel", "Grand Park" and "Destination" brands from a combination of desk research and quotations obtained from brand agencies – these included the logo and brand identity development, market research, brand strategy, messaging and visuals, brand guidelines and website design and development costs. Mr Haigh

531 AH1 at para 3.14.

532 AH1 at para 7.4.

533 AH1 at paras 3.14, 7.4.

gave the same instructions to different brand agencies and received a range of costs before selecting the lower ends of those ranges.[534] He proposed a figure of S$307,159.[535]

324 When questioned why he did not provide these brand agencies with background on the scope or scale of the development that the brands had achieved or the presence that they had, Mr Haigh responded that they would be assumed to not have any scale since they were being created from scratch.[536] Mr Haigh also did not draw a distinction between the brand development costs for each of the three brands as these were initial costs to create them.[537] I accept these responses.

325 The defendants pointed out that the literature cited by Mr Haigh – "How Much Does Branding Cost: 2024 Guide"[538] – estimated a range of "$16,000 to $63,000" to develop a brand, which was far less than the figure proposed by Mr Haigh.[539] But it is unclear what currency these figures were expressed in, their basis or the industry they pertained to. In the absence of any contrary evidence from Mr Mayal, the figure proposed by Mr Haigh was based on the best available evidence and I accordingly accept the same as reasonable.

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534 NE 7 March at p 213.

535 AH1 at para 3.14.

536 NE 7 March at p 216.

537 NE 7 March at p 216.

538 3PB55.

539 NE 7 March at p 217.

(B) IP COSTS

326 According to Mr Haigh, IP costs represent the expenses incurred in registering and protecting the brand name, logo, and other trademarks, excluding legal fees.[540] His approach was to reference the costs specified by each country for standard trademark applications or registrations, compile the registration for the PHMPL Trademarks and pro-rated them based on their remaining lifespan.[541] This came to a figure of S$18,925.

327 Mr Mayal accepted that IP costs were relevant, but did not propose an alternative figure.[542] I therefore accept Mr Haigh's figure.

(C) A&P COSTS

328 Mr Haigh assessed the A&P Costs at both the individual hotel and PHMPL levels and arrived at the figure of S$2,473,247. He explained that the principal benefit from such costs was the building of the brand.[543] He also explained that the cost measurement for the purposes of valuing the brand includes (a) direct costs (such as registration, marketing, research and brand development); and (b) indirect costs (such as advertising, promotional and associated overheads).[544]

329 Mr Mayal criticised Mr Haigh for including hotel-specific costs which he said are incurred for the purposes of driving sales for the hotel itself, and had no direct co-relation to, and are not for the purposes of, building the "Park"

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540 AH1 at para 7.4.

541 AH1 at para 7.4.

542 NE 7 March at p 52.

543 NE 7 March at p 196.

544 NE 7 March at p 196.

brand.[545] In response, Mr Haigh explained that such costs ultimately contribute to generating brand awareness, and that would impact the core aspect of the overall brand strength, notwithstanding that it also has the benefit of driving sales.[546] With respect to Mr Mayal's point that spending on A&P did not necessarily translate into value for the PHMPL Trademarks,[547] Mr Haigh's response was that while A&P costs were intended to drive bookings, that did not mean that it did not have the effect of generating brand awareness. As Mr Haigh pointed out, they are not mutually exclusive.[548]

330 I find Mr Haigh's position reasonable and logical. Notably, Mr Haigh may have understated the A&P costs as he did not include:

(a) the costs of sales and marketing at the hotel level even though these could indirectly improve brand awareness;[549]

(b) the costs of sales and marketing at the PHMPL (holding company) level because the information was not available although they should have been included because they would have helped to build the overall brand;[550] and

(c) the A&P costs of Park Hotel Hong Kong as he did not have the data.[551]

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545 NE 7 March at pp 192–194.

546 NE 7 March at p 202.

547 NE 7 March at pp 184–185.

548 NE 7 March at p 181.

549 NE 7 March at p 244.

550 NE 7 March at pp 244–245.

551 NE 7 March at p 243.

331 The defendants also argued that Mr Haigh had overstated the A&P costs for Park Hotel Alexandra (for 2020 and 2021) and Park Hotel Farrer Park (for 2020), pointing out that he had used the data for 2018 and 2019 without considering the impact of COVID-19 which would have reduced A&P costs.[552] As I discuss below (at [339]), Mr Haigh ought to have taken into account the impact of COVID-19.

(D) OPPORTUNITY COSTS

332 Mr Haigh included "opportunity costs", which he defined as "the economic benefit required to motivate the trademark creator into the development process".[553] Mr Haigh's approach to estimating the opportunity costs was to apply a profit margin of 28% (using the operating profit margin of PHMPL's comparable companies as reference)[554] on the sum of the brand development costs, IP costs and A&P costs.[555] This came to a figure of S$3,576,038.[556]

333 It was put to Mr Haigh that the reference material called "Brand Valuation" – which Mr Haigh relied on – did not include any mention of "opportunity costs" and that this was not an element that was consistently applied in the literature.[557] In response, Mr Haigh stated that although some literature might not explicitly mention it, opportunity costs is "almost

552 DCS at para 197.

553 AH1 at para 7.4.

554 AH1 at para 3.12.

555 AH1 at para 3.12.

556 AH1 at para 7.4.

557 NE 7 March at pp 218–219.

universally mentioned as a key component of the costs approach".[558] In this regard, he referred to the Guide to Intangible Asset Valuation, which states that "[t]he cost measurement for valuation purposes … of a trademark … includes entrepreneurial incentive".[559]

334 This is also the position taken in:

(a) the IVS, which states that "opportunity costs may also be included, which reflect costs associated with not having the subject intangible asset in place for some period of time during its creation";[560] and

(b) the article titled "The Valuation of Trademark-Related Intangible Property", which states that "[t]he analyst should also consider as cost components … entrepreneurial incentive … which is often viewed as an opportunity cost".[561]

335 But, as was pointed out by Mr Mayal – and I agree – Mr Haigh's approach was not a true measure of opportunity costs, an example of which would be a return on capital.[562] Mr Haigh did not explain how his approach represented (as he claimed) "the return expected by the trademark creator for their investment of time, resources and expertise in creating the brand".[563]

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558 NE 7 March at p 219.

559 NE 7 March at pp 224–225; 80AB487.

560 2DB319: IVS at para 70.7.

561 80AB501.

562 NE 7 March at p 225.

563 AH1 at para 3.12.

336 While there may be some evidence that opportunity costs could be considered in the costs of creation method, I find that the basis used by Mr Haigh to derive that figure could not, on balance, be supported, whether in the literature he cited or in his reasoning. I therefore exclude this component from the valuation.

(3) Impact of COVID-19

337 Mr Haigh's valuation did not consider the impact of COVID-19.

338 Mr Haigh was referred to an article by Brand Finance which discussed the loss of value of 33% of certain top hotel brands, including the Hilton brand, in light of the COVID-19.[564] In response, Mr Haigh said this was only indicative and was heavily dependent on the forecast for the next one or two years.[565] He did not apply a discount to his valuation on account of COVID-19 because the value in the PHMPL Trademarks would go beyond the next two years.[566] He also stated that the methodology used in the article in analysing the value of the hotel brands was the "royalty relief" method which was different from the cost of creation approach he used.[567]

339 I agree with the defendants that there should logically be no distinction on account of the methods used – both are to determine the value an asset is able to generate and any erosion of brand value on account of COVID-19 should apply in either case.[568] As Mr Mayal pointed out, if COVID-19 affects the future

564 D10.

565 NE 7 March at p 227.

566 NE 7 March at p 228.

567 NE 7 March at pp 227–228.

568 NE 7 March at pp 231–233.

expectations of the value of the trademark, that reduction in value must be considered.[569] I therefore find that a discount should be applied to account for COVID-19.

(4) Conclusion

340 For the reasons set out, I accept Mr Haigh's conservative valuation for the brand development costs, IP costs and A&P costs as at 23 March 2021, and apply a discount of 33% for COVID-19. I therefore value the PHMPL Trademarks at S$1,875,552.

The defendants' other arguments

341 The defendants argued that, even if the assets and businesses disposed under the Agreements were at an undervalue, Mr Law did not act in breach of his fiduciary duties as he did not subjectively understand PHMPL to be insolvent at the time of the restructuring. But, as I have found, Mr Law knew that PHMPL was insolvent or at least financially parlous at the material time. In any event, Mr Law caused or procured the sale of PHMPL's assets at a significant undervalue, as the Agreements undoubtedly were, in violation of s 224 IRDA. Further, he had sold the assets and businesses effectively to himself without any independent valuation and, in some instances, at deliberately depressed values. He had placed his own interests over those of PHMPL's creditors and had clearly acted in breach of his fiduciary duties.

342 The defendants further argued that, in any event, the Agreements were in the interests of PHMPL – had PHMPL not sold its assets and businesses before it was placed in liquidation, its creditors would not have been able to

569 NE 7 March at p 233.

extract any significant or at least better value from them, especially because the majority of PHMPL's assets were HMAs which would be terminable once PHMPL was placed in liquidation.[570] But this misses the point. Having decided to sell PHMPL's assets and businesses, Mr Law was obliged to ensure that PHMPL received proper value for them – not only did he fail to do this, he caused PHMPL to agree to depressed values which benefitted his own interests. Further, he had acted in breach of the self-dealing and no-profit rules – where a director is found to have breached either rule, he is precluded from asserting that his action was *bona fide* or thought to be in the best interests of the company: *Bluestone* at [115].

Conclusion

343 For the reasons above, I find that (a) the Agreements were transactions at an undervalue under ss 224 and 438 of the IRDA; (b) Mr Law had procured PHMPL to enter into the Agreements for the purpose of putting PHMPL's assets beyond the reach of its creditors or otherwise prejudicing their interests; and (c) by causing PHMPL to enter the Agreements, Mr Law had breached his fiduciary duties to PHMPL. My findings on valuation are summarised below in Annex 1.

Waiver of PHA debt

344 As discussed above (at [101(c)]), Mr Law procured PHMPL to waive the amount owing by PHA upon the completion of the ASTA on 8 March 2021. I have found that this was an act in the interests of PHGM, and to the detriment of PHMPL and its creditors. Mr Law had therefore acted in breach of his fiduciary duties.

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570 DCS at para 209.

345 Nonetheless, I find that PHMPL did not suffer any loss. Mr Aw accepted that:

(a) the value of PHA as at February 2021 was negative S$207,832.32;[571]

(b) between 1 January and 31 December 2021, "there is no income coming in [to PHA] apart from a government grant of [S$4,484]";[572] and PHA had no income stream as at 8 March 2021;[573] and

(c) PHA's balance sheet for 2021 showed that it had net liabilities of S$155,000.[574]

In the circumstances, there was no prospect of PHMPL recovering the amount waived.

Transfer of employees to PHGM and SIOHPL

346 I have found (above at [48]) that Mr Law procured the transfer of employees from PHMPL to PHGM and SIOHPL to enable PHGM and SIOHPL to continue the businesses of PHMPL which had been transferred to them. It was therefore to advance the interests of PHGM and SIOHPL (and therefore his own interests) in breach of the self-dealing rule (see above at [169]).

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571 NE 11 February at p 152.

572 NE 11 February at p 155.

573 NE 11 February at p 153.

574 NE 11 February at p 155.

Diversion of the opportunity to manage Park Hotel Kyoto

347 According to the plaintiffs, Mr Law breached the no-profit rule and s 157(2) of the Companies Act when he diverted the opportunity to manage Park Hotel Kyoto to PHGM.[575]

348 The no-profit rule prohibits a director from making use of information obtained while he was a director of the company in question or to exploit a maturing business opportunity of the company for his own personal purposes and profit – any profit so obtained will be subject to a constructive trust in favour of the company: *Swiss Butchery Pte Ltd v Huber Ernst and others and another suit* [2010] 3 SLR 813 at [12]. In determining whether something is a "maturing business opportunity", the court considers whether it crosses the line from a mere idea to a concrete business opportunity: see *OOPA Pte Ltd v Bui Sy Phong* [2021] SGHC 142 at [34].

349 Similarly, s 157(2) of the Companies Act prohibits an officer or an agent of a company from making improper use of his position or any information acquired by virtue of his position to gain an advantage for himself or any other person or to cause detriment to the company.

350 I now consider the facts relevant to the management of Park Hotel Kyoto.

351 In late 2019, PHMPL explored the opportunity to purchase a boutique hotel in Kyoto, Japan.[576] On 20 May 2020, Mr Law informed Ms Tang that "this deal is back on the table" and instructed Ms Tang to look into the acquisition of

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575 PCS at para 198.

576 60AB83.

the property.[577] By September 2020, Mr Law had decided to purchase the hotel, and to complete that purchase, by December 2020, and to have the hotel managed under the Park Hotel brand.[578] This hotel was eventually named Park Hotel Kyoto.

352 On 18 September 2020, GMHL and Apricot Capital Pte Ltd, a company unrelated to Mr Law, entered a joint venture agreement[579] ("Kyoto JVA"), whereby parties agreed to participate in a 70%-30% shareholding joint venture through Kyoto Hotel Investment Pte Ltd ("KHIPL"), a company incorporated in Singapore. The Kyoto JVA contemplated that (a) KHIPL would purchase the "trust beneficial interest" holding the land and hotel and incorporate or acquire a Japanese company which "[would] be re-named to GK Park Hotel Kyoto or such other name the Parties may agree" to operate Park Hotel Kyoto; and (b) "[PHMPL] or any of its affiliates" would be the manager of the hotel.[580] As noted above (at [62(a)]), Mr Law funded this investment with monies from PHMPL.

353 On 8 November 2020, Ms Tang sent a draft HMA for Park Hotel Kyoto to Mr Law ("Draft PHKT HMA"),[581] to which the intended parties were PHMPL and Park Hotel Kyoto GK (as hotel operator).[582] Clearly, it was contemplated if not agreed that PHMPL would provide hotel management and related services to Park Hotel Kyoto. In this regard, up to the "restructuring" in March 2021, all

577 60AB457.

578 61AB62.

579 61AB125.

580 61AB126, 128; NE 18 February at pp 53–54.

581 87AB26–93.

582 87AB27, 55.

hotel management and related services for the Park Hotel brand were provided only through PHMPL.

354 The acquisition of Park Hotel Kyoto was subsequently completed in December 2020, as intended.[583] There was a soft launch on 16 March 2021, where Park Hotel Kyoto accepted bookings.[584] PHMPL's employees were heavily involved in the process. In the period from late September 2020 to early March 2021, there were e-mail communications between PHMPL's employees regarding the operations and opening of Park Hotel Kyoto, including on matters relating to staffing, marketing, budgeting and contracts with vendors.[585]

355 Despite the COVID-19 pandemic, Mr Law was bullish about Park Hotel Kyoto's prospects. In a press release by the Park Hotel Group dated 16 March 2021, Mr Law commented as follows:[586]

> Kyoto has always had extremely strong domestic demand and Park Hotel Kyoto will benefit from the resumption of domestic travel. Similarly, as the cultural capital of Japan is also a top destination for international travellers, we are confident that the hotel is well positioned to ride on the recovery when borders reopen.

356 The evidence is therefore clear that even at the height of COVID-19, Mr Law intended to proceed with the investment in Park Hotel Kyoto and that PHMPL would provide management services to the same.

357 However, Park Hotel Kyoto and the Draft PHKT HMA did not feature in the Agreements or even mentioned or referred to in the documents related to

583 61AB665.

584 80AB696.

585 61AB239–242, 283–288, 326; 62AB279–285; 66AB368; 67AB107.

586 80AB696.

the "restructuring". Neither Mr Law nor Ms Tan was able to explain what happened to the Draft PHKT HMA. The plaintiffs were only provided with a signed copy of the HMA for Park Hotel Kyoto ("Final PHKT HMA") on 26 July 2024, after they had made a discovery request.[587] Its terms were largely identical to the Draft PHK HMA. However, this version was entered between *PHGM* (and not PHMPL) and Park Hotel Kyoto GK.[588] It was also dated 31 December 2021 but expressly stated to be "with effect from 1 April 2021".[589]

358 Evidently, Mr Law had simply procured the transfer of this business opportunity to PHGM without any consideration by replacing PHMPL as the party to the Draft PHKT HMA. The reasons offered by Mr Law and Ms Tang as to why PHMPL was not the proper party were unbelievable:

(a) Mr Law stated that it was "partially correct" that PHMPL was initially envisaged to be the party signing the HMA, but this was "only if it has the trademark to open a hotel in Japan under the trade name Park Hotel" which it did not have.[590] This was contrived. The registration of a trademark only prevented others from registering or using a similar trademark – it was not a requirement to operate the hotel. Mr Law conceded that when Park Hotel Kyoto had its soft opening in March 2021 and invited bookings, the trademark application remained pending.[591]

587 80AB154, 176.

588 3AB45–96.

589 3AB45–96.

590 NE 19 February at pp 23–24.

591 NE 19 February at p 25.

(b) Both Mr Law and Ms Tan suggested that the key reason that the Draft PHKT HMA did not materialise, and the Final PHKT HMA was signed at the end of 2021, was due to the COVID-19 situation in Japan in 2021 – given the uncertainties, a hotel manager would be hesitant to sign new hotel management agreements.[592] I do not accept this:

(i) The COVID-19 situation in *2021* does not explain why the Draft PHKT HMA, drafted in *November 2020*, was not signed earlier. More importantly, the COVID-19 situation did not prevent the soft opening of Park Hotel Kyoto in *March 2021*.

(ii) That the Final PHKT HMA was dated 31 December 2021 but was made effective "from 1 April 2021" clearly evidenced that substantive work had been undertaken well before it was purportedly signed. Mr Law conceded that PHGM would have been acting as the hotel manager for Park Hotel Kyoto by 1 April 2021.[593] But *PHMPL's* employees would have worked on the project leading to the soft launch on 16 March 2021 and thereafter, since they were only officially "transferred" to PHGM on 1 April 2021 (see above at [48]). If so, the logical thing to do would be to enter the HMA earlier. Indeed, the effective date of 1 April 2021 itself conveniently coincided with the date PHMPL's employees were officially "transferred" to PHGM which, in the case of Mr Ng, was only done in *May 2021* (see above at [48]).

592 LCH2 at paras 11–14, Tan Shin Hui's 2nd Affidavit of Evidence-in-Chief at paras 10–12.

593 NE 19 February at pp 29–30.

(iii) Mr Law's and Ms Tan tried to explain the delay in committing to the Draft PHKT HMA by raising the concern that given the COVID-19 situation, a hotel manager could be held responsible for any shortfall in gross operating profit and might even face termination if the project profit targets were not met. But the terms of the Draft PHKT HMA were settled *during* COVID-19 and would have taken these concerns into account. Indeed, the Draft PHKT HMA provided that such obligations may be suspended in the event of "Extraordinary Events", which included "pandemics or epidemics".[594]

359 The evidence is clear that the opportunity to manage Park Hotel Kyoto had matured significantly by March 2021 and crossed the line from a mere idea to a concrete business opportunity – Mr Law intended to move forward on the project, the terms of the HMA were agreed and Park Hotel Kyoto was already accepting bookings. No good reason was given for delaying the execution of the Final PHKT HMA to 31 December 2021 – the fact that it was made effective from 1 April 2021 only underscored this. I can only infer that this was done to create some "distance" from the liquidation of PHMPL so as not to raise suspicion. I therefore find that Mr Law intentionally diverted the opportunity for PHMPL to provide hotel management services to Park Hotel Kyoto to PHGM to the detriment of PHMPL. The diversion of this opportunity to PHGM is consistent with Mr Law's scheme to divest PHMPL of all its valuable assets and business in March 2021 to entities owned by him. In doing so, Mr Law acted in breach of his fiduciary duties to PHMPL.

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[594] 87AB39, 51, 67.

Dishonest assistance and knowing receipt

360 The elements of a claim in dishonest assistance are: (a) there has been a disposal of the claimant's assets in breach of trust or fiduciary duty; (b) in which the defendant has assisted or which he has procured; and (c) the defendant has acted dishonestly: see *Esben Finance and others v Wong Hou-Lianq Neil* [2022] 1 SLR 136 ("*Esben Finance*") at [255]. In this context, dishonesty is established when the defendant is shown to have knowledge of the irregular shortcomings of the transaction that ordinary honest people would consider it to be a breach of standards of honest conduct if he failed to adequately query them: *George Raymond Zage III and another v Ho Chi Kwong and another* [2010] 2 SLR 589 at [23].

361 The elements of a claim in knowing receipt are: (a) a disposal of the plaintiff's assets in breach of fiduciary duty; (b) the beneficial receipt by the defendant of assets which are traceable as representing the assets of the plaintiff; and (c) knowledge on the part of the defendant that the assets received are traceable to a breach of fiduciary duty and this state of knowledge makes it unconscionable for the defendant to retain the benefit of the receipt: *Esben Finance* at [256]. It suffices that the defendant knows all the facts necessary for him to conclude that there was *prima facie* something so unusual or so contrary to accepted commercial practice and fails to make inquiries under such circumstances: *MKC Associates Co Ltd and another v Kabushiki Kaisha Honjin and others (Neo Lay Hiang Pamela and another, third parties; Honjin Singapore Pte Ltd and others, fourth parties)* [2017] SGHC 317 ("*MKC Associates*") at [286].

362 I find that the first two elements of both a claim in dishonest assistance a claim in knowing receipt are satisfied in this case:

(a) Mr Law had breached his duties when (i) he disposed of PHMPL's assets and businesses under the Agreements and (ii) diverted the opportunity to manage Park Hotel Kyoto to PHGMM (see above at [343] and [359]);

(b) the Defendant Companies clearly assisted in the breach of duties when:

(i) they entered the respective Agreements with PHMPL in March 2021 (see above at [28]–[31]); and

(ii) PHGM entered the Final PHKT HMA with Park Hotel Kyoto GK (see above at [357]); and

(c) it is not in dispute that:

(i) the Defendant Companies received PHMPL's assets and businesses under the Agreements; and

(ii) PHGM has obtained the opportunity to manage Park Hotel Kyoto.

363 As corporate entities, the Defendant Companies are attributed with the state of mind of the person who is its "directing mind and will": *Concorde Services Pte Ltd v Ong Kim Hock* [2024] SGHC 324 ("*Concorde Services*") at [145]; in order words, the person who had "management and control" over the company in relation to the act of omission in question: *MKC Associates* at [287]. Although the general rule states that "a company must necessarily have attributed it to the mind of its directing organ under the constitution, *ie*, the board of directors", the directing organ of the company may expressly or implicitly have delegated the entire conduct of its business to the relevant agent, who is actually, even if not constitutionally, its "directing mind and will" for all

purposes: *Bilta (UK) Ltd (in liquidation) and others v Nazir and others (No 2)* 2WLR 1168 at [67].

364 As I have found (above at [6] and [42]), Mr Law owned and control the Defendant Companies for all intents and purposes. He was the sole decision maker in the entire "restructuring" and the Defendant Companies' "directing mind and will". In any event, the evidence shows that the Defendant Companies had entirely delegated the decision making in relation to the Agreements to Mr Law – it was he who decided on the assets/businesses to purchase, the terms of the purchase and the price (see above at [39]–[51]). Likewise, Mr Law was making all the decisions in relation to Park Hotel Kyoto and it was clearly he who decided that PHGM would be the party to HMA in respect of Park Hotel Kyoto instead of PHMPL.

365 Given my findings above that Mr Law had acted in breach of his fiduciary duties, the Defendant Companies are naturally attributed with his state of mind and knowledge, *ie*, the purpose and details of the transactions. There is therefore no doubt that the Defendant Companies had the requisite knowledge to make their assistance dishonest and/or to make it unconscionable for them to receive and retain the benefits and assets in respect of the Agreements and, in the case of PHGM, the opportunity to provide hotel management and other services to Park Hotel Kyoto.

Conspiracy

366 In *EFT Holdings, Inc and another v Marinteknik Shipbuilders (S) Pte Ltd and another* [2014] 1 SLR 860 ("*EFT Holdings*") (at [112]), the Court of Appeal held that a claimant must plead and prove the following to succeed in a claim for conspiracy by unlawful means:

(a) there was a combination of two or more persons to do certain acts;

(b) the alleged conspirators had the intentions to cause damage or injury to the claimant by those acts;

(c) the acts were unlawful;

(d) the acts were performed in furtherance of the agreement; and

(e) the claimant suffered loss as a result of the conspiracy.

367 A breach of fiduciary duties constitutes an unlawful act: *OUE Lippo Healthcare Ltd (formerly known as International Corp Healthway Corp Ltd) and another v Crest Capital Asia Pte Ltd and others* [2020] SGHC 142 at [172].

368 A company can conspire with its controlling director to damage a third party by unlawful means: *Concorde Services* at [144]; *Lim Leong Huat v Chip Hup Hup Kee Construction Pte Ltd* [2011] 1 SLR 657 at [198]; *Nagase Singapore Pte Ltd v Ching Hai Huat* [2008] 1 SLR(R) 80 at [20]–[21].

369 I have found (above at [78]–[115]) that Mr Law had, in breach of his duty, orchestrated a scheme to to move all revenue-generating or viable assets (including the opportunity to manage Park Hotel Kyoto) out of PHMPL to the Defendant Companies and to leave behind nothing for PHMPL's creditors. This scheme would not have been possible without (a) the Defendant Companies entering the respective Agreements to effect the disposal of PHMPL's assets; and (b) PHGM entering the Final PHKT HMA with Park Hotel Kyoto GK which diverted the opportunity to manage Park Hotel Kyoto from PHMPL. My findings above (at [364]) that Mr Law was the controlling mind behind the

Defendant Companies, or had been delegated by the Defendant Companies to deal with the relevant transactions, also leaves no doubt that there was combination between the Defendant Companies and Mr Law to execute the scheme, with the intention of wrongfully benefitting themselves at the expense of PHMPL. Given my findings above (at [181]–[343] and [347]–[359]), it is clear that PHMPL had suffered pecuniary losses as a result of the disposal of its assets under the Agreement at an undervalue and the deprivation of pecuniary benefits that it would have received from the opportunity to manage Park Hotel Kyoto had it not been diverted.

370 I therefore find that the Defendant Companies had conspired with Mr Law to injure PHMPL, thereby causing PHMPL to suffer loss.

Conclusion

371 The High Court in *Kumagai-Zenecon Construction Pte Ltd and another v Low Hua Kin* [1999] 3 SLR(R) 1049 spelt out in unambiguous terms the exacting standards expected of a fiduciary (at [13]):

> The standard of duty imposed by law on a fiduciary is the highest standard known to the law. It is a duty to act for someone else's benefit by sacrificing one's own personal interest to that of the other. If the fiduciary is not prepared to make such sacrifice he will never be able to protect and advance the interest of the other. Selfishness is the antithesis of selflessness. The office of a fiduciary is founded on selflessness. Selfishness is absolutely prohibited.

372 Far from demonstrating selflessness, Mr Law showed contempt for his fiduciary obligations – his breaches are beyond peradventure. While PHMPL may have failed because of events beyond his control, his response was entirely regrettable. He appropriated PHMPL's assets for himself and manipulated PHMPL's books to hide his subterfuge. His conduct, both in relation to the

"restructuring" and his defence of these proceedings, was dishonest and dishonourable. His first and only thought was to benefit himself.

373 At the close of evidence, the parties had agreed that I first deal with the issue of liability and thereafter invite parties to make submissions on the appropriate reliefs. I therefore direct the plaintiffs to file submissions within two weeks on the reliefs they are seeking and on costs, and the defendants to respond within two weeks thereafter, both submissions limited to 25 pages.

374 For the avoidance of doubt, the time for appealing my decision shall not run until after I issue my decision on the reliefs and costs.

Hri Kumar Nair
Judge of the High Court

Ong Boon Hwee William, Lee Bik Wei, Kay Tan Jia Xian and Tang Jia Ding, Justin (Allen & Gledhill LLP) for the plaintiffs;
Thio Shen Yi SC, Nanthini d/o Vijayakumar, Terence Yeo and Pearlie Peh Zhi Qi (TSMP Law Corporation) for the defendants.

Annex 1: Valuation of the assets and businesses transferred under the Agreements

Asset	Purchase value	Plaintiffs' valuation[595]	Defendants' valuation[596]	Decision
ASTA				
Grand Park City Hall HMA	S$2,700,000	S$3,393,646	S$3,222,409	S$3,393,646
Grand Park Kunming HMA		S$1,170,315	S$1,096,013	S$1,170,315
Grand Park Orchard HMA		S$449,911	S$448,880	No value
Grand Park Otaru HMA		S$2,678,727	S$2,610,374	S$2,678,727
Grand Park Xi'an HMA		S$1,681,301	S$1,574,558	S$1,681,301
Park Hotel Malacca HMA		S$361,502	S$512,052	No value
Park Hotel Malacca LA		S$138,491		No value
Park Hotel Malacca TSA		S$13,547	No value given	S$13,547

595 For the valuation of the Contracts, Park Hotel Maldives and Yan Pte Ltd, Ms Chee's primary position is stated in brackets, and her position in response to my directions (see [269]) is stated without brackets.

596 For the valuation of the Contracts, Park Hotel Maldives and Yan Pte Ltd, Mr Osborne's primary position is stated in brackets, and his position in response to my directions (see [269]) is stated without brackets.

Park Hotel Penang HMA		S$589,476	S$729,115	S$589,476
Park Hotel Penang LA		S$122,139		S$122,139
Park Hotel Penang TSA		No value given	No value given	No value
Park Hotel Alexandra HMA		S$1,851,628	S$1,786,435	S$1,851,628
Park Hotel Clarke Quay HMA		S$358,137	S$362,199	No value
Park Hotel Farrer Park HMA		S$1,377,709	S$1,308,350	S$1,377,709
Destination Singapore Beach Road HMA		S$2,809,757	S$2,689,091	S$2,809,757
Grand Park Wuxi HMA		S$584,988	S$179,964	S$584,988
HK Franchise Agreement		S$2,267,597	S$2,057,925	S$2,267,597
Sub-total		S$19,848,872 (S$33,214,492)	S$18,577,367 (Nil – S$3,200,000)	S$18,540,830

Records, business names, business information, IP rights, IT systems, and the benefit of insurance policies and business claims		Higher than S$64,373.75	At or below S$64,000	S$64,373.75
Entire issued share capital of PHA	S$1	S$1	No value given	No value
990 ordinary shares of Park Hotel Maldives	US$39,600	US$2,396,087 (S$5,987,725)	US$2,031,575 (Nil)[597]	US$2,396,087
Total	S$2,700,001 and US$39,600	S$19,913,246.75 and US$2,396,087 (Higher than S$39,266,591.75)	S$18,641,740.75 and US$2,031,575 (Nil – S$3,264,000)	S$18,605,203.75 and US$2,396,087
Framework Agreement				
Entire issued share capital of Yan Pte Ltd	S$500,000	S$3,431,455 (S$6,161,345)	S$2,719,850 (S$1,000,000)	S$3,276,927
10 ordinary shares of Park Hotel Maldives	US$400	US$24,203 (S$60,482)	US$20,521 (Nil)[598]	US$24,203
Total	S$500,000 and US$400	S$3,431,455 and US$24,203	S$2,719,850 and US$20,521	S$3,276,927 and US$24,203

597 CO2 at para 1.20: Mr Osborne included this value within the portfolio of agreements under the ASTA instead.

598 CO2 at para 1.20: Mr Osborne included this value within the portfolio of agreements under the ASTA instead.

		(S$6,221,827)	(S$1,000,000)	
BTA				
Businesses carried on under SIH and assets owned for the purposes of SIH's business	S$200,000	S$2,611,206	S$115,000	S$2,611,206
TMAA				
PHMPL Trademarks	S$1	S$6,368,153	No value given	S$1,875,552

Annex 2: Cash payments that Mr Law must repay

Description	Amount	Remarks	Reference to GD
Cash payment on 8 January 2021	S$4,413,505.21	Amount repayable reduced to S$413,505.21	[53(b)], , [152]–[154]
Cash payment on 8 January 2021	S$1,968,604.46		[53(c)], [152]–[153]
Cash payment on 12 March 2021	S$6,698,130.81		[54], [152]–[153]
Cash payment on 23 March 2021	S$746,354.29		[55], [152]–[153]
Cash payment on 23 March 2021	S$307,734.77		[55], [152]–[153]

Annex 3: Receivables Mr Law diverted from PHMPL

Description	Amount	Remarks	Reference to GD
Consideration for the sale and transfer of the Transferring Assets under the ASTA, **inclusive of GST**	S$2,889,000		[28(a)], [162]–[163]
Consideration for the sale of share in PHA under the ASTA	S$1		[28(b)], [162]–[163]
Consideration for the sale of shares in Park Hotel Maldives under the ASTA and the Framework Agreement	S$52,800		[28(c)], [29(b)], [162]–[163]
Consideration for the sale of shares in Yan Pte Ltd under the Framework Agreement	S$500,000		[29(a)], [162]–[163]
Consideration for the sale and transfer under the BTA, inclusive of GST	S$214,000		[30], [162]–[163]
Amount due from GMHL	S$3,419,682.46		[62(a)], [162]–[163]

Amount due from Grand Park Maldives	S$14,106,077.11		[62(b)], [162]–[163]
Set-off against S$22m Dividend	S$1,057,481.15		[62(c)]
Transfer from Mr Law's "loan from director" account	S$32,578.91	Mr Law has agreed to repay without admission of liability	[168]
Consideration for the sale of PHMPL's vehicle to Ms Tan	S$38,504.84	Mr Law has agreed to repay without admission of liability	[168]
Balance of dividend payable from Yan Pte Ltd	S$13,196.89	Mr Law has agreed to repay without admission of liability	[168]
Amount due from Park Hotel Management (HK) Ltd	S$27.65	Mr Law has agreed to repay without admission of liability	[168]
Amount due from Grand Park Maldives as at 31 March 2021	S$12,270.21	Mr Law has agreed to repay without admission of liability	[168]