IN THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

[1998] SGHC 149

Suit 1632/1996

Between

Tan Seng Huat t/a Yew Huat Scaffolding Work

… *Plaintiff*

And

Golden Seal Pte Ltd

… *Defendant*

GROUNDS OF DECISION

Version No 1: 29 Oct 2026 (23:45 hrs)

This judgment is subject to final editorial corrections approved by the court and/or redaction pursuant to the publisher's duty in compliance with the law, for publication in LawNet and/or the Singapore Law Reports.

Tan Seng Huat t/a Yew Huat Scaffolding Work v Golden Seal Pte Ltd

[1998] SGHC 149

Suit 1632/1996
Lai Siu Chiu J
30 April 1998

1 **Judgment:**

2 **Cur Adv Vult**

3 The facts

4 1. The plaintiff is the sole proprietor of Yew Huat Scaffolding Work (Yew Huat). In 1995, he leased from the Jurong Town Corporation (JTC) for 30 years, a piece of land situated at No 8 Woodlands Loop (the property) on which, by a building agreement with the JTC dated 16 October 1995 (the Building Agreement), he built a factory (the factory) for the purpose of fabricating scaffolding and structural works for Yew Huat.

5 2. Sometime in March 1996, when the factory was near completion, Siow Siok Hwa (Siow) a director of Golden Seal Pte Ltd (Golden Seal) was introduced by a housing agent Ricky Ong (from Ridge Property Pte Ltd), to the plaintiff as someone who was interested in renting space at the factory. Golden Seal needed bigger premises for its business of designing and fabricating steel

structures and conveyor systems. After negotiations, the plaintiff and Siow signed a **Letter of intent to rent the premises** (the letter of intent) whereby Golden Seal agreed to lease 2,602 sq. m for production and 6,265 sq. m of office space, at the factory for three (3) years. The rent for production space was to be $1.45 per sq. ft and for office space it was to be $1.00 per sq. ft. In addition, the plaintiff signed a letter of acceptance (the letter of acceptance) for the $3,000 cheque dated 4 March 1996 from Golden Seal paid towards the three (3) months' deposit. There was a hand written note (the hand written clause) added to the letter of acceptance which stated: **This lease is subjected to JTC approval. In the event that JTC reject this application, the deposit ($3,000) will be refunded and there should not be any further compensation**. There was considerable dispute between the parties touching on the two (2) document which I will elaborate on later. The plaintiff never presented the cheque for payment.

6 3. In April 1996, Siow approached the plaintiff for permission to use some space in the factory to fabricate some items. Earlier, he had been told by the plaintiff that Golden Seal could move in by May-June 1996 which was the date when the factory would expect to get its temporary occupation permit (TOP). Siow alleged that the plaintiff agreed to let space temporarily to Golden Seal, at $6,000 per month, without power supply. Accordingly Siow occupied some space at the factory, for which he later issued a cheque for $4,500 to the plaintiff on 23 May 1996, based on the area he actually occupied.

7 4. In early May 1996, a subcontractor of Golden Seal, one Fujo Engineering (Fujo) was interested to rent space at the factory. As the plaintiff would not reveal what rent Golden Seal was paying, Lim Leong Hoon (Lim) one of the partners of Fujo, approached Siow. Having found out the rates from

Version No 1: 29 Oct 2026 (23:45 hrs)

Siow, Lim as well as other business associates of Siow, expressed interest in moving to the factory with Siow.

8 5. A meeting was arranged between the interested parties and the plaintiff, held at a coffee shop along North Bridge Road. The meeting was attended by the plaintiff, Lim, Teo Teck Leong (Teo) from Sin Hong Hardware Pte Ltd (Sin Hong) and two ladies (Lye Soek Ghin and Lye Soek Cheng) representing Yew Cheong Engineering Pte Ltd (Yew Cheong). Siow introduced the various parties to the plaintiff and left it to them to conduct their own negotiations. The result was that Fujo, Sin Hong and Yew Cheong also decided to rent space at the factory for 1-2 years with options to renew. (Hereinafter, I shall refer to Golden Seal, Fujo and Yew Cheong collectively as 'the defendants'). Besides the defendants and Sin Hong, other companies which occupied the factory were Scatech Engineering Pte Ltd (Scatech), Ever Rich Enterprise (S) Pte Ltd (Ever Rich) and JSD Construction Pte Ltd (JSD). The defendants alleged JSD was a tenant but the plaintiff claimed the company was his main contractor for the factory. The rent payable by the defendants ranged between $1.45 to $1.50 per sq. ft for the ground floor and for the second storey, it was $1.00 per sq. ft. In cross-examination however, the plaintiff admitted he had agreed with Siow that rent for Golden Seal would be rounded down to $11,500 per month.

9 6. In June 1996, Siow found out that Fujo would be installing a crane at the factory. As Golden Seal also planned to install a crane, Siow asked the plaintiff for permission to do so; the plaintiff agreed. Fujo and Golden Seal engaged a professional engineer (PE) to prepare the plans and do the necessary submission to the authorities for the installation. They were advised by the PE that a soil report was needed for the purpose so they asked and obtained a copy

Version No 1: 29 Oct 2026 (23:45 hrs)

of the same, from the plaintiff. Thereafter, the PE drafted and submitted the drawings to the relevant authorities for approval and the overhead cranes were installed.

10 7. On or about 10 July 1996, the defendants and other tenants were told to stop work because the factory was being inspected for the purpose of obtaining TOP. After the inspection, the plaintiff allegedly told Siow that TOP had been approved, Golden Seal could start using the premises and the plaintiff would commence collecting rent. Siow proceeded to do the electrical installation for his rented portion; the other two (2) defendants made similar preparations to move in. Neither Golden Seal nor the other defendants were shown a copy of the TOP; they believed what the plaintiff said. Much later they discovered that TOP was issued on 30 July 1996.

11 8. The defendants alleged that the plaintiff was evasive whenever they asked him for a written tenancy agreement -- he put them off with one excuse or another. The plaintiff on the other hand, asserted that the defendants tried to persuade him to sign leases with them which he refused, because he wanted to obtain TOP and JTC's approval first.

12 9. Some time in mid-August 1996, the plaintiff called a meeting of all the tenants and informed them that JTC objected to their occupation of the factory; he asked that they move out by JTC's deadline of 7 September 1996. The defendants were shocked; aside from Golden Seal, they claimed they did not know that such approval was required. The plaintiff tried to help by obtaining, with Ricky Ong's assistance, the necessary application forms for subletting from JTC, for the defendants' signature and submission. However he was told by JTC in no uncertain terms that no requests for subletting would be

Version No 1: 29 Oct 2026 (23:45 hrs)

entertained until after the '*unlicensed occupiers*' had moved out. The plaintiff suggested to the defendants that they move out temporarily. To that intent and purpose, he brought them to his friend's factory in the Woodlands area but they found the place unsuitable. Consequently, the defendants refused to move out, despite demands (2) from the plaintiff's solicitors.

13 10. The defendants decided to approach JTC themselves. Siow visited JTC's office on 30 August 1996 and followed up with the defendants' solicitors' letter of the same date; Golden Seal requested an extension of three (3) months to vacate the factory; JTC declined to deal with the defendants. Subsequently however, at the plaintiff's request (due to the fact that he had commenced these proceedings), JTC relented and granted an extension up to 30 November 1996 for the defendants to move out.

14 11. The plaintiff commenced these proceedings against the defendants on 2 September 1996. The deteriorating relationship between the parties worsened due to an incident on 9 September 1996, when police were called to the factory by Siow and Lim, who alleged that the defendants' workers were locked out of the factory by the plaintiff. The plaintiff claimed Siow had broken the original lock of the gate over the weekend, in order to drive out Golden Seal's lorry; he had therefore used a new padlock to secure the gate. Siow claimed that the plaintiff passed himself off as an officer of the Ministry of Labour and harassed the defendants' workers, preventing them from entering the factory, the plaintiff countered he only checked their work permits to ensure no illegal workers entered the factory for which the law would hold him responsible. The impasse between the parties was broken by the plaintiff's applications for mandatory injunctions to evict the defendants from the factory which were granted on 25 October 1996; Golden Seal's appeal therefrom (Civil

Version No 1: 29 Oct 2026 (23:45 hrs)

Appeal No 191 of 1996) was deemed to be withdrawn in June 1997 as it failed to file the appellant's case within the deadline prescribed under O 57 r 9 of the Rules of the Supreme Court. The defendants eventually left the factory in or about December 1996.

15 The claims

16 12. The plaintiff instituted similar actions against the defendants. In his common statement of claim, he alleged that:

> a. in anticipation of JTC's approval (which was a pre-condition of his letting), he had given the defendants permission to occupy part of the factory out of goodwill, on the implied agreement that such permission would be automatically revoked in the event JTC failed to give approval. To date, he had not collected any rent from the defendants for their occupation of the factory;
>
> b. JTC failed to approve the defendants' occupation and he accordingly informed the defendants;
>
> c. in breach of the agreement between the parties, the defendants failed, refused and or neglected to vacate the factory despite notices (2) to do so from his solicitors dated 21 and 28 August 1996, with the result that the plaintiff faced possible action being taken against him by JTC; he relied on JTC's letters to him dated 25 July and 16 August 1996.

17 13. The plaintiff claimed inter alia vacant possession, reinstatement cost ($16,400) of the factory to its original condition and mesne profits until delivery up of vacant possession. In para 26 of his affidavit evidence in chief (EIC), the plaintiff claimed rent totalling $57,000 @ $11,500 per month for 5 months (April-August 1996) and mesne profits totalling $69,000 (double rent @ $23,000 per month for 3 months September-November 1996). In para 27 of his EIC, the plaintiff claimed $24,326.55 for the power supply the defendants consumed until September 1996, and requested assessment by the court of the power supply the defendants used until they vacated the factory in November

Version No 1: 29 Oct 2026 (23:45 hrs)

1996. The plaintiff also claimed interest ($1,007.78) charged to him by JTC for his late payment of licence fees ($56,355.42) due in October 1996. By their letter dated 12 October 1996, JTC returned his cheque for the licence fees stating he had to first evict the defendants from the factory by JTC's extended deadline of 30 November 1996, before they would accept payment from him.

18 14. The defendants filed similar defences and counterclaims; they alleged:

> a. the plaintiff was introduced to Golden Seal by Ricky Ong who negotiated the terms of the tenancy on the plaintiff's behalf;
>
> b. at a meeting in March/April 1996 with the defendants (other than Golden Seal), the plaintiff represented that he could let out 50% of the total floor area of the factory. The defendants and the plaintiff orally agreed to a tenancy of 2 years from the date when the plaintiff obtained TOP. The plaintiff did not tell the defendants that the tenancy was subject to JTC's approval and they did not occupy the factory out of the plaintiff's goodwill;

19 c. the plaintiff accepted the defendants' offer to rent space at the factory;

> d. subsequently the plaintiff sought to impose a condition that the tenancies would be subject to JTC's approval which was not agreed to by the defendants;
>
> e. it was implied that the plaintiff was capable of granting the tenancy to the defendants and that the plaintiff had obtained all the necessary approvals to do so;
>
> f. in breach of the implied term, the plaintiff was incapable of granting the tenancies because he had not obtained JTC's approval. Alternatively the plaintiff represented that he had obtained the necessary approvals, in the further alternative he had represented that he did not need any necessary approvals to enable the defendants to occupy the factory;
>
> g. on or about 10 July 1996 the plaintiff informed Lim that he had obtained TOP and the defendants could proceed to fit out their rented premises; in reliance thereon, the defendants proceeded to partition their rented premises and expended large sums of money in preparation for occupation of the factory;

Version No 1: 29 Oct 2026 (23:45 hrs)

> h. the plaintiff was therefore estopped from denying there was the existence of oral tenancies with the defendants;
>
> i. in breach thereof, the plaintiff prematurely terminated the oral tenancies when JTC informed the defendants by letter dated 16 August 1996 that they were considered unauthorised occupiers;
>
> j. the plaintiff by his solicitors' letter dated 21 August 1996 purportedly gave the defendants one (1) week's notice to quit the factory alleging that they held weekly tenancies.

20 15. The defendants contended they had suffered loss and liquidated damages in varying amounts resulting from the plaintiff's breach of the oral tenancies, alternatively his inducing them to enter into the oral tenancies; the amounts formed the basis of their respective counterclaims against him. As a further alternative, the defendants claimed damages arising from the plaintiff's misrepresentations.

21 16. In the defence filed by Golden Seal, it was further alleged that the plaintiff had represented that the defendants could install an overhead crane and had given a copy of a soil report to the defendants for that purpose. Relying on those representations, Golden Seal engaged an engineer and proceeded to install the overhead crane. Consequently, Golden Seal's counterclaim included the cost ($33,000) of installation of the crane as well as the loss of use ($42,000) of the crane for two (2) weeks when it was removed at the time Golden Seal vacated the factory.

22 Suit No 1632 of 1996

23 The plaintiff's case

24 17. The plaintiff produced the originals (P1) of the letters of intent and acceptance which he signed with Golden Seal, together with the original cheque

Version No 1: 29 Oct 2026 (23:45 hrs)

for $3,000 dated 4 March 1996 issued by Siow. He never presented Siow's cheque for payment because approval from JTC had not been obtained, which, together with obtaining the TOP, was a condition precedent to the commencement of the tenancy with Golden Seal. This was reflected in the hand written clause highlighted in para 2 above. For this reason, he refused the defendants' repeated requests to enter into written agreements with them. Out of goodwill, he allowed Golden Seal to store some machinery at the factory before but in anticipation of, JTC's approval. Even so, it was implied that such permission would be automatically revoked in the event JTC did not grant approval. However, Golden Seal proceeded to install an overhead crane without his permission. Similarly, Golden Seal stored some I-beams at the factory without his knowledge and consent. When he asked Golden Seal to remove the same, Siow relocated the I-beams to another part of the factory, despite his objections. Subsequently he received and accepted Golden Seal's cheque for $4,500, believing it was for compensation. He denied he had agreed with Siow that the rental would be reduced to $6,000 from $11,500 because there were then no proper facilities or, that $4,500 represented rent for the actual area Golden Seal occupied.

25 18. The plaintiff denied he had told the defendants on 10 July 1996 that they could move in because TOP had been obtained and, he would commence collecting rent from them; he was not present at the TOP inspection. He only visited the factory once every 2-3 or 3-4 days. TOP was only issued on 30 July 1996 but he did not inform the defendants. However, he did tell them that he would apply to JTC to sublet but before he could do so, JTC came to know of the defendants' occupation and refused to grant approval. Instead JTC required him by their letter dated 25 July 1996, to evict all the tenants within three (3) weeks. He needed 20,000-30,000 sq. ft of the 50,000 sq. ft space in the factory

Version No 1: 29 Oct 2026 (23:45 hrs)

for Yew Huat's scaffolding works and the rest could be sublet with JTC's approval.

26 19. Cross-examined, the plaintiff admitted that by cl 3 of the letter of intent, he had agreed to allow Golden Seal to install an overhead crane before TOP was obtained. He explained that in the event JTC's approval or TOP was not obtained, he would buy over the crane from Golden Seal although no price was discussed with Siow. However, he had not consented to Fujo's installation of a crane. He had also objected to the fitting-out works carried out by Fujo and Yew Cheong for their office units, but they ignored his objections. Fujo had told him initially that they needed storage space but they then fitted out their office up to the height of the second storey, more like a production office. In Yew Cheong's case, he objected to the size of their office. By the time he saw the fitting-out works of Fujo and Yew Cheong, the same were almost completed. He allowed Golden Seal to fit out their office on the mezzanine floor because there was no construction involved, only the shifting in of furniture and some partitioning works.

27 20. As for his reply dated 13 August 1996 to JTC's letter dated 25 July 1996 wherein he had stated:

> With regard to Golden Seal Pte Ltd, Yew Cheong Engineering Pte Ltd, Fu Joo Engineering, we thought that we could sublet to them. Our sincere apology for not obtaining your consent first before the said subletting. We seek your indulgence in this and would be forwarding the necessary documents (for subletting) for your kind consideration in the next few days…

28 which the defendants latched on as evidence of his subletting, the plaintiff explained that as he neither spoke nor wrote English, his friend had drafted the reply on his behalf and the choice of words used may have been

Version No 1: 29 Oct 2026 (23:45 hrs)

incorrect; in fact, he never sublet to the defendants. He had also written to JTC on 26 August 1996 (in reply to their letter dated 16 August 1996) to clarify that he had not collected any rent from the defendants whom he allowed to occupy the factory out of goodwill, not realising that it was a breach of the Building Agreement. By a separate letter to JTC also dated 26 August 1996, the plaintiff requested for an extension of time in which to satisfy the investment criteria under cl 4 of the Building Agreement.

29 21. The plaintiff followed up on his first letter to the JTC dated 26 August 1996 by giving notice to the defendants, through his solicitors to quit and deliver up vacant possession of the factory; the defendants failed to comply. Instead, through their solicitors, they attempted to tender rent on 10 September 1996 which cheques his solicitors returned. On 3 September 1996, his lawyers wrote to JTC for an extension of time beyond 7 September 1996 for the defendants to vacate the factory, stating he had commenced these proceedings and had applied for mandatory injunctions against the defendants. Prior thereto, his verbal request to JTC for an extension of time was turned down. When the defendants finally vacated, they failed to reinstate the factory to its original condition, necessitating his engaging contractors to do so, which costs formed part of his claim. The plaintiff's contractor from Chia Choon Hwa & Co testified that he quoted $30,800 to the plaintiff in October 1997 as reinstatement costs.

30 22. The plaintiff admitted that the Building Agreement required him to start production within two (2) years of the agreement. As he was not able to meet the deadline (May 1996), he had requested JTC for an extension of time to bring in his machinery. He agreed that without evidence of some production activity at the factory, it would be difficult to persuade JTC to grant him an extension of time to fulfil his investment criteria but, he denied that he had

Version No 1: 29 Oct 2026 (23:45 hrs)

allowed the defendants to occupy the factory to give JTC the impression that he had commenced production. During cross-examination, the plaintiff revealed that construction of the factory cost him approximately $5m of which $4m was borrowed from a bank secured by a mortgage on the factory, for which the monthly instalment was about $20,000. In addition, the plaintiff paid quarterly rent approximating $50,000 to JTC.

31 23. I had in para 2 above, alluded to a dispute between the plaintiff and Siow touching on the letters of intent and acceptance; I shall now elaborate. The plaintiff confirmed that he had signed two (2) originals of each document, after Golden Seal had signed and stamped its seal thereon and, the hand written clause had been inserted. He had signed both originals of the letter of acceptance in the column meant for the signature of witness; when the error was pointed out by Ricky Ong, he had re-signed in the column for landlord's signature on Siow's copy. Siow on the other hand, asserted that he only had the original of the letter of acceptance and a photocopy of the letter of intent; he produced his copies (D2) of both documents to substantiate his contention. Siow's explanation was, that he had signed and stamped both documents in blank and thereafter the hand written clause and other details were inserted by Ricky Ong or the plaintiff.

32 24. Ricky Ong was called to the stand. He confirmed he had told the plaintiff and Siow that the tenancy agreement could only commence after TOP and JTC's approval was obtained. Hence cl 1 of the letter of intent which stated that the three year tenancy would commence 14 days' after TOP. Ricky Ong also confirmed that he had filled in the blanks in both documents before he procured Siow's and then the plaintiff's signatures thereon. He explained that he inserted the hand written clause after Siow had inquired what would happen

Version No 1: 29 Oct 2026 (23:45 hrs)

if JTC approval was not obtained and he had assured Siow that Siow's deposit of $3,000 would be refunded in that event.

33 25. As for the discrepancy between the plaintiff's and Siow's sets of both documents, Ricky Ong explained: he had filled the blanks in both sets of the letter of intent (with the letter of acceptance on the reverse), Siow then signed and put Golden Seal's stamp on both letters of intent and issued his cheque for $3,000. Ricky Ong acknowledged the cheque on the letter of acceptance. Siow then took the first completed set of the documents to photocopy. After he had returned from photocopying, Siow asked what would happen if JTC did not approve. It was then that Ricky Ong inserted the hand written clause in both sets of the letter of acceptance, he gave one set of both documents to Siow but was unable to explain why Siow's letter of intent produced in court (D2) was a photocopy. Ricky Ong confirmed that the plaintiff signed in the wrong columns for the letter of acceptance. He also confirmed that at Siow's request, he had inquired of the plaintiff when TOP was expected but as the plaintiff could not confirm the date, no date was inserted in the letter of acceptance.

34 26. Ricky Ong testified that the plaintiff enlisted his assistance at end July 1996 to find a solution when JTC found out about the defendants' unauthorised occupation of the factory. In that connection, he attended two (2) meetings at the factory with the defendants and other tenants to try and explore various possibilities to solve the problem. The defendants wanted to stay on at the factory. He tried to help by obtaining the requisite application forms for subletting from JTC which he handed out to the defendants with some guidelines on how the forms should be completed. He opined that the defendants, being occupiers of other factories previously, should have been

Version No 1: 29 Oct 2026 (23:45 hrs)

aware that under the Factories Act, JTC's approval and TOP were required to be produced together with the tenancy agreement, before a licence can be obtained under the Factories Act. Had the tenancy between the plaintiff and Golden Seal been signed, Ricky Ong would have earned a commission of $12,937.50.

35 27. Ricky Ong denied that when he left Siow's office, the letter of acceptance did not contain the hand written clause and that the same was inserted subsequently. He asserted that Siow had kept the original of one letter of acceptance and handed to him (Ricky) the photocopy which Ricky Ong then handed to the plaintiff together with the original of the second set.

36 Golden Seal's case

37 28. Siow testified that he had not paid attention to the documents when he was asked to sign the letters of acceptance and intent as he left it to Ricky Ong to make sure everything was in order. On the day in question, Ricky Ong did not show him any letter of acceptance; the document was handed to him a few days later, after Ricky Ong had called him to say the plaintiff accepted his offer. It was only on 20 August 1996, at his lawyers' office, that Siow discovered that the letter of acceptance was not addressed to Golden Seal and that Ricky Ong had inserted the hand written clause that subletting was subject to JTC approval. He did not endorse Golden Seal's stamp on the letter of acceptance. Siow alleged that it was Ricky Ong, not he, who photocopied the letter of intent at Golden Seal's office. He denied he was withholding one original copy of the letter of acceptance containing the hand written clause. However, he was unable to explain why he could produce the original letter of

Version No 1: 29 Oct 2026 (23:45 hrs)

acceptance (D2) duly signed, with the hand written clause inserted, and as well as a photocopy (D1) without the signatures of the plaintiff or Ricky Ong.

38 29. Siow alleged that the plaintiff had told him that he (the plaintiff) was looking for more tenants after Fujo had expressed an interest to rent space at the factory. That was why he arranged the meeting between the plaintiff, Yew Cheong, Sin Hong and Fujo. Siow later put the plaintiff in touch with a Japanese company and another company but no tenancies resulted from those introductions.

39 30. Siow asserted that when Golden Seal and Fujo were installing the overhead cranes, the plaintiff visited the factory almost daily but did not raise any objections. After the TOP inspection on 10 July 1996, the plaintiff informed Siow that TOP was approved and he would be collecting rent soon. In reliance thereon, Siow proceeded with the electrical installation for Golden Seal's unit. The first time Siow saw the TOP was when the plaintiff filed his affidavit to support his application for an injunction. In mid-August 1996, Siow and the other tenants realised that the plaintiff had misled them, when JTC required their eviction. Nevertheless, Golden Seal and the other tenants signed JTC's application forms for subletting handed to them by the plaintiff.

40 31. Subsequently, JTC by their letter dated 5 September 1996, allowed Golden Seal to remain at the factory until 30 November 1996. Siow and Lim showed this letter to the police officers at the confrontation with the plaintiff on 9 September 1996 at the factory. As a result, the police told the plaintiff that he could not bar the defendants from entering the factory.

Version No 1: 29 Oct 2026 (23:45 hrs)

41 32. Siow said he was unable to complete Golden Seal's removal from the factory by 30 November 1996. He requested an extension of time until 9 December 1996 in which to do so. At a joint inspection in December 1996 with the plaintiff after Golden Seal had moved out, Siow asserted that he had inquired what the plaintiff wanted removed and it was at the plaintiff's request that the window grilles (which installation cost $2,500) were not taken down, nor the floor epoxy coating; Siow did not ask for payment for the grilles. Apart from that, Siow reinstated Golden Seal's unit to its original condition, removing all partitions and structures his company had put up, patching up the marks and holes made by nails and screws and also cleaning up. He had also noted down (see AB60) the minor touch ups that needed to be done by Yew Cheong to reinstate their unit to its original condition.

42 33. Although Golden Seal moved out of the factory by early December 1996, Siow said his company was unable to move into its new premises at Senoko Drive until 23 December 1996; in the interval, he had to move the overhead crane to Malaysia and store some machinery and equipment out in the open. Golden Seal incurred expenses of $163,262.60 in moving into and out of the factory and, in re-locating to Senoko Drive, not including paying a higher rental of $1.50 per sq. ft at Senoko Drive and incurring a sum of M$5,284.09 in moving the overhead crane to Siow's factory in Johore Baru, as Golden Seal could not find a place in Singapore for its storage.

43 34. Cross-examined, Siow revealed that prior to moving to the factory, he was a tenant (for more than 10 years), of the Housing and Development Board (HDB) at Yishun, but he could not recall the paperwork and administrative procedures involved in taking over the lease from another party or, the requirements under the Factories Act. He left such technical matters to

Version No 1: 29 Oct 2026 (23:45 hrs)

the property agent concerned to handle. Siow testified he had been looking for larger premises since 1995 and had been introduced to various HDB and JTC properties by property agents; he preferred JTC premises because they were bigger than HDB properties and he had almost decided on taking JTC premises at Sungei Kadut when Ricky Ong introduced him the plaintiff in February or March 1996. He denied he knew that JTC's approval was required before the factory could be sublet to him. Either the plaintiff or Ricky Ong had told him 50% of the factory could be let out and he therefore assumed approval had been obtained; Siow asked to see JTC's approval only after the defendants had been told to vacate the factory. Although the plaintiff did say TOP was expected in May or June 1996, Siow denied that Ricky Ong had told him JTC's approval was a requirement before subletting, he was only told that the tenancy agreement would be drawn up after TOP had been obtained and rent would be collected 14 days from that date. He was not certain whether TOP was discussed at the meeting at the coffee shop between the tenants and the plaintiff. By the time he was told of the requirement of JTC's approval, it was too late as Siow had by then completed his renovations. Siow denied he had asked the plaintiff for the tenancy agreement before 10 July 1996; he only asked to be allowed to move in before TOP date in order to do renovations, and he did move in on 15 May 1996; however he did not begin operations until 1-2 weeks after 10 July 1996. Siow could not recall whether the plaintiff objected to his placing I-beams in the factory.

44 35. Siow had also asked for a rent-free period to install the (second hand) overhead crane but he left the technical requirements of such installation to the PE (Inter-System Consultants) he appointed, at whose request he obtained a soil report from the plaintiff. He denied he was aware that approval from the Building Control Division (BCD) was required for the installation of such crane

Version No 1: 29 Oct 2026 (23:45 hrs)

or, that the plaintiff had told him that the latter would buy over the same in the event JTC's approval was not granted. Siow denied he had demanded $90,000 from the plaintiff for the overhead crane when the defendants were told to vacate the factory and that the plaintiff had rejected his demand; he disagreed that he installed the crane at his own risk.

45 36. Counsel for the plaintiff pointed out to Siow that neither he, nor the other witnesses for the defendants had, in the affidavits they filed previous to their affidavits EIC, mentioned that TOP inspection was carried out on 10 July 1996, Siow said *it did not occur to him* to mention it. Questioned why he sent a cheque ($12,500) for September 1996 rent to the plaintiff after litigation had started (which was rejected), Siow said he did so on the advice of his lawyers.

46 37. Siow agreed that a number of items in Golden Seal's counterclaim were unsubstantiated by documents and some expenses would have been incurred in any event, whether his company moved to Senoko Drive or to another site; some claims related to payments made to his own workers which figures were arbitrary.

47 Suits No. 1633 & 1634 of 1996

48 The plaintiff's case

49 38. I move next to the plaintiff's claims against Yew Cheong and Fujo, which unlike the claim against Golden Seal, pertain to similar set of facts.

50 39. As stated in para 5 above, the plaintiff was introduced to Lye Soek Ghin (Ms Lye) and Lye Soek Cheng of Yew Cheong and to Lim, by Siow. The plaintiff confirmed that at the meeting, he had agreed to rent 4,000-5,000 sq. ft.

Version No 1: 29 Oct 2026 (23:45 hrs)

at the factory to Yew Cheong for one (1) year with one (1) year's option to renew, at $1.45 per sq. ft; he denied he had told the ladies that he could let out 50% of the factory. In May 1996, Lye Kim Yan (Lye), the father of the two sisters, telephoned him to inquire whether the factory would be ready by July-August 1996 but the plaintiff denied that Lye had told him that Yew Cheong must choose between the factory and another place at Jurong and, the deciding factor was which place could be ready first. The plaintiff also denied that he had told Lye that there would be no problems in his renting to Yew Cheong. He agreed he visited Yew Cheong's premises at Kallang one evening but denied it was to check on the suitability of their equipment for the factory – it was just for a 'social chit chat'. The plaintiff denied that he was then asked by Ms Lye to confirm that he had all the necessary approvals or that he had assured her everything was in order.

51 40. The plaintiff also denied that in July 1996 he had told Ms Lye that Yew Cheong could move in, he had agreed to met her at the factory. At that meeting, which was after the TOP inspection, Ms Lye, her father and sister said they wanted to move Yew Cheong's machinery in first and construct their office later; he refused despite which Yew Cheong shifted in their business altar on or about 11 July 1996. When his attention was drawn to his solicitors' letter of demand to Yew Cheong wherein it was stated that the latter held a weekly tenancy, the plaintiff said it was a mistake. To support his assertion that he had told Yew Cheong that they could not move before JTC's approval, the plaintiff called a site supervisor from JSD, Teo Peng Hock to testify that the latter had overhead a conversation at the factory between the plaintiff and Lye to that effect, in late June or early July 1996.

52 The defendants' case

Version No 1: 29 Oct 2026 (23:45 hrs)

53 41. Lye and his daughter disputed the plaintiff's testimony: Ms Lye testified that Yew Cheong had looked at other places and had narrowed their choice to either the factory or a place in Jurong, which rent was cheaper ($1.20 per sq. ft). Yew Cheong preferred the factory despite the higher rental because the place was newer and an overhead crane could be installed. The deciding factor however was, which place could be ready sooner as Yew Cheong had sold its Kallang factory, which it had to vacate by 12 August 1996. It was on the plaintiff's assurance to Lye in May 1996 that the factory could be ready for occupation in July-August 1996 and he had obtained all the necessary approvals including JTC's, that Yew Cheong decided to rent from him. The plaintiff even visited their Kallang factory on 28 June 1996 to confirm the suitability of Yew Cheong's trade for the factory. On 8 July 1998, Lye and his daughters met with the plaintiff, his contractor and architect at the factory. The plaintiff told them TOP had been obtained. He directed their inquiry, whether they could move in, to his architect who said they could shift in their machinery but could not do partitioning works. Hence, Yew Cheong moved its business altar into the factory followed by its machinery, a few days later.

54 42. The plaintiff rejected Yew Cheong's tender of the rent deposit saying he did not need the money. On or about 16 July 1996, the plaintiff informed Ms Lye that she could proceed with the fitting-out works. Accordingly, on 22 July 1996, Yew Cheong's contractors installed a meter, connected the electricity supply and completed other works in about a week. Except for Ever Rich, the other tenants namely Scatech, JSD and Sin Hong, were already in occupation of the factory by 8 July 1996.

55 43. It was only at the August 1996 meeting that Yew Cheong and the other two (2) defendants, found out that the representations and assurances

Version No 1: 29 Oct 2026 (23:45 hrs)

made by the plaintiff were false. On 18 August 1996, the plaintiff informed Yew Cheong that Fujo had agreed to move out but when Ms Lye checked with Lim, she found this was not true.

56 44. After the court granted the plaintiff injunctions against the defendants, Yew Cheong finally moved out to (temporary) premises at Jurong which rent was $1.73 per sq. ft. The plaintiff's actions caused Yew Cheong to incur a substantial sum ($110,938.24) in moving into and out, of the factory.

57 45. Nothing much turns on the testimony of Lim who generally echoed what Lye and his daughter had said. Lim said he liked the factory as it had sufficient space and height for Fujo's business of fabricating steel structures. It was the plaintiff who was keen to sublet to Fujo but, as he was evasive about the rent, Lim approached Siow who informed him that the plaintiff charged Golden Seal $1.45 per sq. ft and $1.00 for the mezzanine floor. After some negotiations, Lim and his partner agreed to rent 8,428 sq. ft. of space from the plaintiff also at $1.45 per sq. ft. The plaintiff also agreed to give Fujo a rent free period of two (2) weeks for renovations and that Fujo could install an overhead crane. The plaintiff had indicated Fujo could not move in before TOP but in June 1996, the plaintiff did inform him that Fujo could move in and install the overhead crane. That was when Siow and he engaged a PE to prepare and submit the necessary plans for Golden Seal and Fujo.

58 46. After the defendants were informed that they had to vacate the factory due to JTC's objections, the plaintiff approached Lim on or about 17 August 1996 to move out temporarily but without dismantling the overhead crane. A day later, the plaintiff told Lim that Yew Cheong had agreed to move out but when he checked with Yew Cheong, Lim found it was not true. The

Version No 1: 29 Oct 2026 (23:45 hrs)

plaintiff rejected Fujo's attempt to tender rent; Fujo eventually moved out on 30 November 1996, and reinstated its unit to its original condition, removing all structures and partitions. Fujo moved first to their former (HDB) premises at Yishun and subsequently to Senoko Drive which rent was higher ($1.50 per sq. ft.). For about a month (28 November 1996 to 7 January 1997), Fujo had no premises from which to operate. Lim claimed $172,017 as damages from the plaintiff for breach of the oral tenancy made with Fujo and for the various misrepresentations the plaintiff made, to the effect that Fujo could rent the factory 'without any problems'.

59 47. Lim had engaged the services of a surveyor Ng Boon Cheng (Ng) to conduct a photographic survey of the equipment, machinery and structures erected by the defendants at the factory. Besides photographs, Ng (DW2) produced a plan (see D4) of the various compartments/units occupied by the defendants and Sin Hong as well as the plaintiff, on the first level and on the mezzanine floor.

60 48. Teo of Sin Hong also testified for the defendants. He supported the defendants' case -- that the plaintiff had told the tenants: he could let out 50% of the factory, TOP was obtained in July 1996 and, the defendants (as well as Sin Hong) could move in, which they did. When the tenants were told that they had to move out, Teo said he showed the plaintiff the racking system and forklift which had cost Sin Hong $54,734.20 to install. Teo demanded that the plaintiff compensate him by buying over the two (2) items, before Sin Hong would move out. The plaintiff refused but changed his mind after Teo had affirmed an affidavit (on 18 September 1996) for the defendants to resist the plaintiff's application for injunctions. The plaintiff then approached Teo to say he wished to settle with Sin Hong, he issued a cash cheque for $54,734.20 to Teo. As he

Version No 1: 29 Oct 2026 (23:45 hrs)

did not wish to prejudice either side in the pending case between the parties and fearing the plaintiff would insist that he vacate the factory immediately, Teo did not bank-in the cash cheque. On 1 October 1996, the plaintiff again visited Teo and handed to him $54,734.20 cash without asking for the return of the cash cheque. Sin Hong eventually moved out on 30 November 1996.

61 49. Cross-examined on Teo's affidavit EIC, the plaintiff explained that he did not mention Sin Hong in these suits or in his affidavits until after Teo had filed his affidavit because when he asked, Sin Hong did vacate although it did not complete moving out until 30 November 1996. As for the cash cheque, the plaintiff claimed that it was written out with the assistance of someone in Sin Hong's office as he is not literate in English. Since the sum involved was large, and this was his first dealing with the company, the plaintiff doubted Sin Hong would give him credit, so he decided to pay by a cash cheque. As the company did not present the cheque for payment, he decided to give them cash instead. He bought Sin Hong's forklift and racking system because they were useful to him and they were in good condition albeit not new. He was aware that the forklift was bought by Sin Hong on hire purchase arrangements, therefore Teo needed cash to settle the instalments. The plaintiff denied he settled Sin Hong's claim to minimise the damage to his case against the defendants.

62 The findings

63 50. The issue to be decided in this case is, did the plaintiff inform each of the defendants that their tenancies would be subject to JTC's approval and TOP? Attendant to that issue is, did the plaintiff make the various representations alleged by the defendants? It is not disputed that agreements to lease were made between the parties, what is contentious is, what were the terms

Version No 1: 29 Oct 2026 (23:45 hrs)

of those agreements? (apart from Golden Seal's tenancy which terms are reflected in the letters of acceptance and intent). Since an agreement to lease is as good as a lease and equity looks on that as done which ought to be done (*Walsh v Lonsdale* (1882) 21 ChD 9) I reject the closing argument of counsel for the plaintiff that, there was no tenancy agreement between the plaintiff and Fujo or Yew Cheong -- the rent was agreed, so also the demised area and the commencement date of the tenancy. Despite his disclaimer of any tenancy with the defendants, the plaintiff claimed double rent and mesne profits against them – an inconsistent stance.

64 51. I am satisfied from the evidence that the plaintiff did allow the defendants to move in their equipment, goods and machinery, before the TOP inspection and approval. Although this seems at odds with the plaintiff's conduct in refusing to accept rent or deposits from the defendants, this can be easily explained by referring to the plaintiff's letter to the JTC dated 26 August 1996 wherein he said:

> It is with much regret that we are ignorant of the serious repercussions of not meeting the investment criteria in time by 31 May 1996... The investment in plant and machinery will be installed at our factory by December 1996 and now that it has come to our attention and knowledge that we have to satisfy the investment criteria by 31 May 1996 (before our TOP date), we require JTC's consent and indulgence in granting us an extension of time up to 31 December 1996.

65 The plaintiff's primary motive in having the defendants move their machinery into the factory was not because he was anxious to let out 50% thereof for rental income from the defendants but, to give some semblance of production activity at the factory. He certainly did not allow the defendants to occupy the factory out of goodwill. That explained why he visited Yew Cheong's factory in June 1996 – to ensure that their machinery, like the

Version No 1: 29 Oct 2026 (23:45 hrs)

overhead cranes of Golden Seal and Fujo (which installation he agreed to), would be consistent with Yew Huat's scaffolding operations so that JTC would think that he had fulfilled the requisite investment criteria or, at the very least, grant him an extension of time in which to do so. Under cl 4 of the Building Agreement, the minimum investment required from the plaintiff was $850 per sq. m. of the gross floor area on building and civil works and $200 per sq. m. x the land (9,948 sq. m.) on plant and machinery, within two (2) years of 1 June 1994. The plaintiff's waiver of rent from the defendants (say $29,000 per month @ $1.45 per sq. ft for 20,000 sq. ft) was a small and temporary sacrifice, when compared with the expenditure he would have to incur (on top of his mortgage instalments and construction cost) in meeting JTC's investment criteria, based on the aforesaid cl 4.

66 52. It is a fact that all the defendants were previously occupants of either HDB or JTC premises, whether as tenants or as subtenants. Therefore, I find it hard to accept that they had no inkling as they claimed, of the requirements involved in becoming licensed tenants or subtenants of either statutory body, even if they were not aware of the provisions and regulations of the Factories Act Cap 104. This is particularly true of Siow, whose testimony (that he did not know that subletting is subject to JTC's approval) is incredible, in the light of the hand written clause in the letter of acceptance, which he signed. I reject his claim that he was unaware of the clause and of the other terms when he signed or, that the clause was inserted after he had signed, the document. As pointed out in para 28 above, Siow could not explain why the original (D1) letter of acceptance he produced contained the hand written clause as well as his signature. I prefer Ricky Ong's version of how the document and the letter of intent, came to be signed. Ricky Ong, had no reason not to testify other than to the truth.

Version No 1: 29 Oct 2026 (23:45 hrs)

67 53. It is equally clear from the evidence, that Siow was instrumental in getting Fujo interested in moving to the factory; in fact he initiated Fujo's and Yew Cheong's approaches to the plaintiff. It was Siow who convinced Fujo, of the merits of renting space at the factory for convenience – Fujo had been Golden Seal's subcontractor for many years and, according to Lim, Fujo had done as many as 60-70 jobs for Golden Seal. It made sense for Fujo to occupy the same premises as Golden Seal if possible, since it had occupied premises opposite to Golden Seal at Yishun. My view is reinforced by the fact that Golden Seal and Fujo moved to the same premises at Senoko Drive after vacating the factory

68 54. It is however, unlikely that the defendants (apart from Golden Seal), were told by the plaintiff that JTC's approval was a prerequisite to subletting, in fact the plaintiff told them he could sublet 50% of the factory. That would explain the plaintiff's letter to the JTC dated 13 August 1996 where he admitted that he assumed he could sublet. I am certain however, that the plaintiff did inform all the defendants at the coffee shop meeting, that TOP approval was a pre-condition to such subletting. He further told them TOP was granted, after the TOP inspection in early July 1996, thinking approval was a mere formality. Hence, the plaintiff made two (2) representations to Fujo and Yew Cheong although they did not influence Fujo in its decision to move to the factory. I draw an adverse inference against the plaintiff from the fact that he chose to settle Sin Hong's claim, after Teo had filed an affidavit on behalf of the defendants for the contested injunction proceedings; it is noted that Sin Hong was not listed in JTC's letter to the plaintiff dated 25 July 1996 as an unlicensed occupier and, the plaintiff did not, in his affidavits filed for the injunction proceedings, volunteer the information that Sin Hong was an occupant. Since Sin Hong no longer has dealings with Golden Seal or the other defendants and

Version No 1: 29 Oct 2026 (23:45 hrs)

Teo said he still regarded the plaintiff and Siow as friends, I see no reason why I should not accept his testimony as the truth and Teo's evidence that the plaintiff made the two (2) representations to Yew Cheong, Fujo and Sin Hong.

69 55. On their part though, I doubt that the defendants were as concerned as they claimed to be, about obtaining JTC's consent (or other approvals) before they moved in – Siow took the risk (because he needed premises urgently) to shift in Golden Seal's machinery and to put up partitions without JTC's approval, the other defendants followed suit. Golden Seal and Fujo had made up their minds to move in before July 1996 and the representation made by the plaintiff about TOP having been granted in July 1996 did not operate on their minds; it merely endorsed their decision. The plaintiff on his part took no steps to stop the defendants and the other occupiers (4) from moving in. I am certain that he visited the factory often enough even if not daily (as the defendants contended) and could see what the defendants were doing. Counsel for the defendants in closing her case, submitted that the plaintiff did not come to court with 'clean hands' when he obtained mandatory injunctions against the defendants. Equity should therefore not assist the plaintiff to take advantage of his own wrong. With respect, Golden Seal and Fujo, were not innocent parties either.

70 56. Consequently, the plaintiff is not entitled to the reliefs he has claimed against Golden Seal nor Golden Seal to its counterclaim. The plaintiff should not profit from Golden Seal's occupation of the premises and neither should Golden Seal be reimbursed any of its costs and consequential loss in moving into and then out, of the factory; both sides were equally blameworthy -- they were aware of and took the risk of Golden Seal's moving in without the blessings of the JTC and without TOP; neither deserve the court's sympathy.

Version No 1: 29 Oct 2026 (23:45 hrs)

The claim and counterclaim in Suit 1632/96 are therefore dismissed with costs. In the light of my earlier observation that Fujo shifts in tandem with Golden Seal and moved to the factory because of Golden Seal and not due to any representations made by the plaintiff, the claim and counterclaim in Suit No 1634/96 are also dismissed with costs.

71 57. As for Yew Cheong, I accept on a balance of probabilities, that their Ms Lye and her father were misled by the two (2) representations made by the plaintiff into moving to the factory. I am of the view that the fairest order would be to dismiss the plaintiff's claim and to award damages to Yew Cheong on its counterclaim, with damages to be assessed, limited to reasonable costs incurred by Yew Cheong in renovating and partitioning the unit it occupied, together with the costs of removal which if proven, are capped at $6,415. The claim for loss of use ($57,692) for 2 weeks is disallowed as being too remote.

72 58. Finally, Yew Cheong shall have the costs of the claim and the counterclaim in Suit 1633/96. Taking into consideration that these proceedings were consolidated, the fairest order for costs would be that Yew Cheong shall prepare one bill of costs for taxation on a standard basis and be awarded *f* thereof in respect of both the claim and the counterclaim, but with full disbursements.

73 Lai Siu Chiu

74 Judge

Version No 1: 29 Oct 2026 (23:45 hrs)

Tan Seng Huat t/a Yew Huat Scaffolding Work v Golden Seal Pte Ltd [1998] SGHC 149

Lai Siu Chiu J

Winnifred Gomez & Sherin Goh (S T Ong Gomez & Partners) for the plaintiff
Joan Lim & Victor Leong (Chan Kam Foo & Associates) for the defendants

---

Version No 1: 29 Oct 2026 (23:45 hrs)