IN THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

[1998] SGHC 260

Suit 370/1998, SIC 2438/1998

Between

Ocean Marine Mutual
Insurance Association Ltd

… *Plaintiff*

And

Joo Tat Shipping Pte Ltd

… *Defendant*

GROUNDS OF DECISION

Version No 1: 20 Nov 2026 (00:35 hrs)

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Ocean Marine Mutual Insurance Association Ltd v Joo Tat Shipping Pte Ltd

[1998] SGHC 260

Suit 370/1998, SIC 2438/1998
Warren Khoo L H J
30 July 1998

Judgment:

GROUNDS OF DECISION

This was an application for discharge of a Mareva injunction issued by his honour Lau J. C. on 13 March 1998.

2. The plaintiffs are a protection and indemnity association of shipowners. The association is composed of individual shipowning members. Their vessels are entered with the association for third party liability and related insurances. The insurance cover provided is set out in the association's rule book. Members of the association do not pay a fixed-cost premium. The premium is made up of advance calls which are agreed at the beginning of each club year. Calls are calculated at a rate per gross tonne of vessels entered. At the end of the club year, the costs and liabilities of the association are assessed and, if appropriate, supplementary calls are raised on the members. Whenever a member's entry is terminated for whatever reason, the member is required to pay release calls to finalise their liability for the remaining open years. The level of release calls in

any one year is notified by circular issued by the directors of the association and distributed to all the members.

3. Vessels owned or managed by the defendants have been entered with the association since 1993. These were "Sentosa Jaya" "Senang Jaya" and "Seraya Jaya". The defendants were late in paying supplementary calls made on them. In the latter part of 1997, there was a sum of US$34,359.80 outstanding. The defendants were allowed to pay by four monthly instalments starting 1 September 1997 and ending 1 December 1997. They failed to make any payment. On 21 January 1998, the association served a notice on them calling upon them to pay the outstanding amount by 28 January, failing which the insurance on all ships listed against the defendants' name would be cancelled without further notice. The defendants failed to pay, and accordingly the insurance was cancelled. The cancellation also triggered off liability for release calls, thus boosting the defendants' total liability to well in excess of US$200,000.

4. On 12 March 1998, the association took out the writ in this action claiming the sum of US$210,343.37, being the total of the outstanding calls on the three vessels. On the next day, they applied for and obtained, ex parte, an injunction prohibiting the defendants from removing among other things their vessel "Sentosa Jaya" from Singapore waters.

5. I need to mention that since February 1997 only the "Sentosa Jaya" has been registered in the defendants' own name; "Senang Jaya" and "Seraya Jaya" have each been registered in a sister company's name.

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6. In applying for the injunction, the plaintiffs relied largely on their suspicion that the defendants had been deliberately trying to avoid the plaintiffs. The plaintiffs' agents had been tracking the movements of the vessels "Sentosa Jaya" and "Senang Jaya", which were plying between Jakarta and Singapore. They found that these vessels would arrive at Singapore at unpredictable odd hours in the depth of night. Thus, on 9 March 1998 at about 11:00 a.m., the plaintiffs' agents were told by the port authorities that "Sentosa Jaya" had departed on 2 March at 8:00 p.m., but no notice of her next arrival date had been given. On 9 March, the vessel arrived again at 2:00 p.m. She departed at 2:55 a.m. on the 10th . The vessel had given notice of her arrival only shortly before she arrived, and the estimated time of arrival was not shown on the computerised Vessel Enquiries Service accessible by the public. Furthermore, there was the habit of changing the estimate date and time of arrival and departure of the vessels. For example, in the case of Senang Jaya, the plaintiffs' agents at different times were given different estimated times of arrival. On 11 March, they were told that she would call at 4:50 a.m. 13 March. At 4:00 p.m. on the 12th, they were told that she would arrive at 2400 hours on the 12th and depart at 1000 hours on the 13th. But at 8:45 p.m. on the 12th, they found that she had already arrived at 7:58 p.m. on that day, and would be departing at 9:00 a.m. the 13th. The plaintiffs therefore concluded that the defendants were trying to avoid them not only by bringing their vessels in and out of Singapore late at night and early in the morning on very short stays, but also by repeatedly changing the times of arrival and departure.

7. Largely on this evidence, the plaintiffs obtained the injunction. The defendants applied for a discharge. In support, a director of the defendants explains in his affidavit that the two vessels are deployed to operate a regular feeder service between Jakarta and Singapore; they are used for ferrying goods

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from Jakarta in containers for transshipment on main line vessels in Singapore harbour. Sentosa is scheduled to arrive at and depart from Singapore every Sunday, while Senang is scheduled to arrive and depart from Singapore every Thursday. As the sailing time between Jakarta and Singapore is between 2 and 3 days, the two vessels are able to make fixed weekly calls, although the exact time of arrival and departure will vary depending on weather and port conditions. The vessels' arrival and departure dates are regularly advertised. A sample of advertisements on dates in March 1998 in the Shipping Times supplement to the Business Times is produced. The sailing dates from Singapore and Jakarta are clearly shown, together with contact numbers and so on.

8. The defendants also produced the port authorities' record of the arrival and departure dates and times of the two vessels for the period from October 1997 to March 1998. The record shows that the two vessels arrived and departed at regular weekly intervals at all hours of the day and night, including early hours of the morning (e.g. 0200 hours, 0300 hours). As for the briefness of the stays in port, the defendants explain that as their vessels are container vessels, it is crucial to have a quick turnaround time. The MPA record just referred to shows that each vessel regularly stays no more than a few hours.

9. It appeared to me that the crucial issue was whether there was a risk of dissipation of the assets. It was quite evident that the plaintiffs had read too much into the two vessels' movements on two or three occasions. From the information now available, these movements were nothing unusual or surreptitious, contrary to what the plaintiffs had assumed.

10. In the circumstances, I ordered that the injunction be discharged.

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Warren L H Khoo

Judge

Warren Khoo L H J

Liew Teck Huat for the plaintiffs
Goh Wing Sun, Shahiran for the defendants

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