IN THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

[1998] SGHC 367

Suit 196/1997

Between

Patson Marketing &
Construction Pte Ltd

… *Plaintiff*

And

Lip Guan Construction Pte Ltd

… *Defendant*

And

Phua Chor Chiang

… *Third Party*

GROUNDS OF DECISION

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

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Patson Marketing & Construction Pte Ltd v Lip Guan Construction Pte Ltd (Phua Chor Chiang, Third Party)

[1998] SGHC 367

Suit 196/1997
Lim Teong Qwee JC
09 November 1998

Judgment :

GROUNDS OF JUDGMENT

1. The plaintiff's claim is for balance of price for work done and materials supplied under contracts contained in or evidenced by (1) an undated written works order ("works order") issued in the name of the defendant and (2) the plaintiff's written quotation for additional works and a written acceptance dated 3 October 1995 ("additional works order") issued also in the name of the defendant. The total price agreed was $350,000 which together with GST at 3% came to $360,500 of which the defendant has paid $205,000 leaving a balance of $155,500. The defendant does not deny the payment to account and in the course of the trial Mr Sarbrinder Singh said that it was not disputed that the defendant had paid a total of $205,000 in six sums as set out in the first affidavit of its managing director Mr Chong.

2. Lip Guan's defence is that the works order and the additional works order were issued by Mr Phua and that Mr Phua had no authority to do so. The

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alternative defence if that is what it can be called is that a reasonable sum for the work done could not amount to $350,000. Lip Guan has joined Mr Phua as third party and claims against him an indemnity or a contribution in respect of any amount adjudged to be payable by it to Patson. Mr Phua's defence is that he had Lip Guan's authority to issue both the works order and the additional works order in Lip Guan's name.

3. At the conclusion of the trial I gave judgment for Patson as claimed with costs and I dismissed Lip Guan's claim against Mr Phua with costs. These are my grounds.

4. Mr Phua is a quantity surveyor. From 1985 he was employed by a construction company and from 1988 until 1990 he was employed by another construction company called Ancon Anda Pte Ltd. In the course of his work with this company he met Mr Erh the managing director of Superast Building Construction Pte Ltd. Mr Phua had some free time during weekends and in the evenings as he said and at Mr Erh's request he found time to help him out with preparation of tenders and some site co-ordination. He left Ancon Anda and for about a year he worked for another construction company but early in 1992 he left that company and went to work for Superast in the capacity of a quantity surveyor as a salaried employee. He was made a director of Superast in July 1992 but has held none of its 147,003 issued shares in its capital as he said and as the returns with the Registry of Companies show although while he was under cross-examination Mr Tai conceded that he held one share. Mr Erh holds 147,001 of the issued shares and under cross-examination he admitted to being in effective control of Superast. Superast has been ordered to be wound up on a petition presented on 12 August 1996. Since about July 1996 Mr Phua has been employed by Patson.

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5. For some years now the Construction Industry Development Board ("CIDB") has maintained a register of contractors to serve the procurement needs of governmental agencies, statutory bodies and other public sector organisations. Registered contractors are graded according to the tender sum for which they may submit tenders and unless they are registered in the relevant grade it is unlikely that they will be allowed to tender for construction works for a statutory body like Jurong Town Corporation ("JTC").

6. Some time in about May 1994 Mr Phua saw a notice in the newspapers inviting tenders for the erection and completion of one 2-storey amenity centre and ancillary works at Pioneer Rd/Tuas Basin Link for JTC and he brought it to the attention of Mr Erh. Mr Erh was interested in submitting a tender and he approached Mr Chong the managing director of Lip Guan. Mr Erh said Superast was not registered with CIDB although Mr Phua said that it was not registered in the relevant grade but nothing turns on this as it is not disputed that Superast could not submit a tender and Lip Guan was registered with CIDB in the relevant grade and could do so. An arrangement was made for Lip Guan to submit a tender in its own name and upon the tender being accepted Lip Guan would sub-contract the whole of the works to Superast at the same price less 2%. A tender was duly submitted and by letter dated 11 August 1994 Lip Guan was advised by JTC that its tender at the price of $3,198,500 had been accepted. By contract dated 1 September 1994 the whole of the works were sub-contracted to Superast.

7. Mr Chong said in his first affidavit that Mr Phua worked out the quantities and the cost and prepared the tender. Under cross-examination he said:

> "Q: Tender form AB-86/88. Signed by you at AB-88. At same time signed other documents in tender documents?

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> A: Yes.
>
> Q: What documents?
>
> A: AB-94, 98, 231, 265, 316, 300, 295, 319, 340.
>
> (Note: These are copies of the signature pages of the conditions of tendering, declaration, standard specifications and standard schedules of rates.)
>
> Q: Tender documents filled up when you signed?
>
> A: Yes.
>
> Q: You read through entire document before signing?
>
> A: Yes."

He would have known that it was a lump sum tender. It expressly says so where the price is stated although he said he could not recognise the figures written in for the price. He would have known that the contract period was 11 months. The tender form included the elemental breakdown of cost which is expressed to serve as a guide for the purpose of progress payment. Later Mr Chong signed the articles of contract dated 9 December 1994 and he would have known that under the conditions of contract progress payments were made monthly or at such other periods in the discretion of the certifying authority known as the superintending officer in accordance with certificates for payment issued by him. Mr Chong was the managing director of a CIDB registered contractor.

8. Two forms of sub-contract were signed for the sub-contract from Lip Guan to Superast. Both forms were identical in every respect except for the price. In one the true price ie $3,198,500 was stated. A separate provision was made for the allowance of 2%. In the other the price stated was 20% less. Mr Chong knew why this was so. He said under cross-examination:

> "A: When sub-contractor wants to apply for foreign worker has to obtain contract from main contractor. Also has to have copy of contract between main contractor and employer. He must submit both to CIDB. CIDB would go through both contracts as

> to how many foreign workers sub-contractor can engage. CIDB would then give approval and at same time send approval to Ministry of Labour to inform him how many foreign workers this sub-contractor can employ. If sub-contractor were to use Chong (1) pages 96/97 and submit to CIDB application would definitely be rejected. Main contractor cannot [sub-contract] whole contract to sub-contractor. CIDB would know because contract with JTC shows price $3,198,500. CIDB had duplicate of main contract. Without main contract CIDB would not approve sub-contractor's application.
>
> (Note: Chong (1) pp 96/97 is a copy of the sub-contract with the true price stated.)
>
> Q: Chong (1). Pages 96/97. You showed to any third party?
>
> A: No.
>
> Q: You used contract at AB-18/19 with any third party?
>
> (Note: AB-18/19 is a copy of the sub-contract with the price understated.)
>
> A: No."

There is no evidence that Superast applied to CIDB to employ foreign workers but should the need arise it had the sub-contract with the understated price to submit with its application. Superast was not to submit the one with the true price stated.

9. Mr Chong had no intention of letting JTC know that the whole of the works had been sub-contracted to Superast. Even at tender stage he had no intention of letting JTC know that Lip Guan would be sub-contracting out the whole of the works. He said under cross-examination:

> "Q: Time you signed tender. Intended to let JTC know Superast would be sub-contractor?
>
> A: Did not intend to let JTC know.
>
> Q: Intended to sub-contract whole of contract to Superast?
>
> A: Yes.

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> Q: Why not intended to let JTC know you intended to sub-contract?
>
> A: I was afraid JTC would reject. CIDB rules and regulations. Contractor cannot sub-contract whole contract.
>
> Q: After contract was awarded you informed JTC you sub-contract to Superast?
>
> A: No.
>
> Q: You wanted JTC to be under impression you were contractor doing all or at least part of works?
>
> A: Agree."

10. I think Mr Chong would have succeeded in giving JTC this impression. All the contractual documents were in Lip Guan's name. The performance bond was also given in its name. The project organisation chart signed by him in the name of Lip Guan disclosed that he as the managing director was at the top and below him were a Mr Chu as executive director (engineer), Mr Erh as site agent, Mr Phua as site co-ordinator/QS and a Mr Sum as site foreman. Mr Phua attended site meetings as the representative of Lip Guan. All correspondence was beween JTC and Lip Guan and it was Mr Chong or sometimes his wife who signed for Lip Guan. Superast was not mentioned anywhere at all.

11. On 1 September 1994 JTC gave possession of the site to Lip Guan. In the course of and for the purpose of the works materials had to be purchased and installed. Mr Phua said in his affidavit:

> "… I requested for quotes for various works on behalf of the defendants. I described myself as the project manager of the defendants to all potential suppliers and requested them to send their quotes to the defendants' office. At all times, both Erh and Chong knew that I was calling these quotes on behalf of the defendants."

Eight of these suppliers and sub-contractors were identified.

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12. Mr Phua continued:

> "Normally, the defendants' director, Mdm Lee Geok Choo ('Lee'), would pass the quotes to me when she received them. After consultation with Erh, I would then decide which of the quotes to accept. I would then prepare a draft works order and would return the recommended quote together with the draft works order to Lee who would then arrange for the works order to be typed on the defendants' letter head. She would hand me back 2 copies of the works order. I would sign them and send both out to the suppliers ….
>
> The suppliers and sub-contractors would then send their invoices directly to the defendants' office. Lee would then give them to me for my verification and on the basis of my assessment, the defendants would then pay these suppliers direct."

It is not disputed that Lip Guan paid these suppliers and sub-contractors in respect of orders made by Mr Phua.

13. In respect of the works order issued to Patson Mr Phua said that it came about in the way he described. He called for a quotation in the name of Lip Guan. He said in his affidavit:

> "Erh was consulted on the plaintiffs' quote and the quote together with the draft works order were given by me to Lee to type it on the defendants' letter head. Lee gave me back 2 copies of the typed works order which I signed and was duly sent to plaintiffs for their endorsement and return. I could not recall whether the plaintiffs did return a copy to me or to the defendants' office. Erh, Chong and Lee were fully aware of this sub-contract between the plaintiffs and the defendants and since Lee arranged for the works order to be typed, she must have seen the works order before."

"Lee" is a reference to Ms Lee Geok Choo a director of Lip Guan and the wife of Mr Chong.

14. The scope of the works under the main contract (all of which were sub-contracted to Superast) included roof works. Under cross-examination Mr Phua

said that in May 1995 he approached Mr Lim Boon Kiak of Patson to do roof works as a sub-contractor. He said:

> "Q: You told plaintiff whom roofing works done for?
>
> A: Told him for defendant. Had name card from defendant. Issued to me by defendant.
>
> Q: Plaintiff asked you whether you had authority to contract on defendant's behalf?
>
> A: No.
>
> Q: Plaintiff asked you your designation in respect of roofing works?
>
> A: No, but I told him I was representative for running whole project.
>
> Q: You told plaintiff who would make payments for roofing works?
>
> A: They did not ask. I suppose they thought defendant. I told them I was defendant's representative and they quoted to defendant.
>
> Q: You gave plaintiff drawings?
>
> A: Showed him (Lim Boon Kiak) for discussion.
>
> Q: Lim Boon Kiak quoted?
>
> A: Yes. Gave verbal quotation.
>
> Q: What was quotation?
>
> A: Can't remember rate given.
>
> Q: Any price agreed prior to commencement?
>
> A: Yes. I gave lump sum price and Lim Boon Kiak agreed lump sum price. Verbal.
>
> Q: What was lump sum price?
>
> A: Supposed to be in range of over $200,000. It was figure over $200,000 but can't remember what it was. Close to $250,000.
>
> Q: Price included supply of tiles?
>
> A: No.
>
> Q: AB-446/447. $310,000?

> (Note: AB-446/447 is a copy of the works order.)
>
> A: Additional. To provide drip trays to kitchen, galvanised iron sheet and also additional lead sheet. Refer to items 2, 3 of scope of works."

The scope of works under the works order was:

> "1. To supply labour only to lay roof tiles (3 blocks, linkway and bin centre).
>
> 2. To supply labour and materials for roofing timber rafters, timber battens, fascia boards, insulations, polythene sheets, aluminum foils, galvanised sheets.
>
> 3. To supply labour and materials for installations of gutters to linkway, drip trays to kitchens and flashings to all areas."

and the price was:

> "Total lump sum cost for items 1 to 3 is S$310,000.00.
>
> (Singapore Dollars: Three Hundred and Ten Thousand Only)."

Continuing under cross-examination Mr Phua said:

> "Q: This works order. You hand delivered to plaintiff for signature?
>
> A: Yes.
>
> Q: When?
>
> A: Can’t remember.
>
> Q: Approximately?
>
> A: Remember after few payments. Then they kept asking for works order.
>
> Q: When few payments made?
>
> A: Think from June to September 1995."

It is not disputed that the first four monthly payments made by Lip Guan to Patson were in the four months to August 1995. No payment was made in September or October 1995. The next payment was made on 4 November 1995.

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15. Ms Lee said in her affidavit that the works order was signed by Mr Phua without the authority, consent or knowledge of Lip Guan. She did not give any evidence in relation to what Mr Phua said in his affidavit as to the part she played in the preparation of the works order. After Mr Phua had concluded his evidence under cross-examination no application was made to recall her.

16. Mr Erh said in his affidavit that Mr Phua did not inform him that he had signed the works order. He did not say that he was not consulted by Mr Phua or that he was not aware of the works order. Under cross-examination he said:

> "Q: Say Superast awarded contract for construction works would Superast undertake on its own or sub-contract part to others? Say contract worth $500,000 and includes roofing works?
>
> A: Would have to sub-contract out roofing works. I don't know how to do roofing works.
>
> Q: Before you tender for main contract you would want to know how much to do sub-contract works?
>
> A: I would want quotations first before I tender.
>
> Q: AB-706/707. Seen before?
>
> (Note: AB-706/707 is a copy of the sub-contract with the true price stated.)
>
> A: Yes.
>
> Q: Sub-contract for certain construction works?
>
> A: Yes.
>
> Q: Scope of works under this sub-contract. Includes roofing works?
>
> A: Yes.
>
> Q: Any quotations for roofing works?
>
> A: Not aware.
>
> Q: You asked third party why no quotations for roofing works?
>
> A: I did not.

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> Q: During execution of sub-contract works you visited site regularly?
>
> A: Yes.
>
> Q: Noticed roofing works being executed?
>
> A: Yes.
>
> Q: You asked third party for quotations for roofing works?
>
> A: No.
>
> Q: You asked if any works orders for roofing works?
>
> A: No.
>
> Q: You asked third party who was doing roofing works?
>
> A: Yes.
>
> Q: Third party told you plaintiff was undertaking roofing works?
>
> A: Yes.
>
> Q: You asked him how much plaintiff was doing works for?
>
> A: No.
>
> Q: Not concerned price of roofing works?
>
> A: Not case I was not concerned. Because I did not know tender cost ie price tendered to JTC by main contractor. Calculated by third party.
>
> Q: You found out tender price for roofing works?
>
> A: No."

17. I think Mr Erh was consulted by Mr Phua before the works order was issued. He would have wanted quotations for roof works even before tendering for the main contract. The whole of the works under the main contract have now been sub-contracted to Superast for a lump sum price and by the time the works order came to be prepared Patson had been on site for some months and had done enough work to have been paid for the four months to August 1995. Mr Erh was not only in effective control of Superast. He held all but two of its 147,003 issued shares. He knew that Patson was doing roof works. I think he knew about

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the works order and that it was going to be issued or had been issued. He did not know as he said the "tender cost ie price tendered to JTC by main contractor". He did not know the amount allowed for roof works in the total lump sum price under the main contract. He relied on Mr Phua to have made the proper allowance.

18. I think Ms Lee also knew about the works order issued to Patson. I think Mr Phua gave the draft of the works order to Ms Lee to type on Lip Guan's letterhead notepaper and she did that and gave two copies to him. The works order in the form typed by her stated that it was issued in the name of Lip Guan and to be signed by "CC Phua (Mr)" over the description "Project Manager". The notepaper had the four digit postal district number printed on it and it was overstamped with the new six digit number. The six digit number came into use on 1 September 1995. Mr Chong said under examination in chief that the stamp was purchased on 29 September 1995. That is the date of the invoice which was raised in respect of the stamp and seven other items but if that was the date Lip Guan had the use of the stamp for the new postal district number then the works order would have been typed not earlier than that date.

19. It is not disputed that Patson has submitted six invoices and one final claim in respect of work done and materials supplied under the works order and the additional works order and that Lip Guan has paid the respective amounts under all the six invoices. These are the particulars of the claims, invoices and payments:

Claim Date	Amount	Invoice Date	Amount	Payment Date
22/5/95	$30,900	31/5/95	$20,000	26/5/95
	2nd	30/6/95	$40,000	28/6/95
	3rd	27/7/95	$50,000	27/7/95

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25/8/95	$118,145	28/8/95	$40,000	30/8/95
	5th	30/11/95	$40,000	4/11/95
	6th	28/2/96	$15,000	9/2/96
20/6/96	$155,500	(No invoice)	(Not paid)	

20. Mr Lim Boon Kiak said that all the claims were sent to Lip Guan but in the agreed bundle of documents there are copies of only the first and the fourth progress claims and the final claim. The first progress claim is dated 22 May 1995 and is for $30,900. The invoice is dated 31 May 1995 but the payment was made a few days earlier on 26 May 1995. Mr Lim's explanation under cross-examination was that a claim was submitted first. Without that Patson could not receive any payment. The claim would then be verified at site by Mr Phua. I think what Mr Phua did was to assess the amount payable. Mr Lim was not asked and he did not say it but I think for Patson's part an invoice was then raised for the assessed amount and for Lip Guan's part the assessed amount was paid whether or not an invoice had been received or even raised.

21. I see no reason to doubt Mr Lim's explanation. I find that at least four progress claims ie the first to the fourth were made and the respective amounts payable were then asssessed and the first four invoices were raised for the respective assessed amounts. I find that two further amounts payable were assessed and invoices were raised for the respective assessed amounts. The final claim was submitted on 20 June 1996. It is for the balance of the price. It is not disputed that the works within the scope of works of the works order and of the additional works order as well have been completed to the satisfaction of JTC and that Lip Guan as the main contractor and Superast as the sub-contractor have taken the benefit of these works. In these circumstances there would be no requirement for the final claim to be assessed or an invoice raised and quite properly Lip Guan has not denied Patson's claim on this ground.

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22. The fourth progress claim was made on 25 August 1995 and it was for $118,145. The amount assessed was only $40,000 and an invoice for the assessed amount was raised on 28 August 1995 and the assessed amount was paid on 30 August 1995. The next payment was on 4 November 1995 for the assessed amount of $40,000 which together with the previous payment was substantially less than what Patson had submitted a claim for on 25 August 1995. The next payment after that was on 9 February 1996 and there was still a shortfall even without taking into account any work done since August 1995. Mr Phua's evidence is that Patson kept asking for the works order after a few payments had been made. It would have "kept asking" from about 28 August 1995. I think the works order was typed by Ms Lee in October 1995 and signed about that time.

23. Mr Chong said in his first affidavit:

> "Pursuant to the sub-contract dated 1st September 1994, the defendants deducted the 2% fees from all payments released by JTC before releasing payments to Superast. The defendants would also pay other contractors as and when requested by C C Phua on behalf of Superast from the said payments before releasing it to Superast."

He produced statements of account prepared by Lip Guan for the six months in which payments were made to Patson. The statement for each month was accompanied by a statement giving particulars of payments made to "other contractors" as referred to in his affidavit or "suppliers" as referred to in the statement of payments. These suppliers included the suppliers and sub-contractors that Mr Phua said he requested quotations from on behalf of Lip Guan. The suppliers in Lip Guan's statement also included Patson.

24. Under cross-examination Mr Chong said:

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"Q: AB-345. Seen before?

A: Yes.

Q: Concerned third party using name of defendant to call for quotes?

A: Did not pay much attention to this at that time.

Q: AB-354. Seen before?

A: Yes.

Q: Concerned?

A: Didn't pay much attention to it.

Q: AB-365. Seen before?

A: Yes.

Q: Again addressed to defendant. Not concerned?

A: Answer same. Didn't pay much attention to it. Handed to third party.

Q: AB-381. Aware?

A: Yes.

Q: AB-397. Addressed to defendant. Aware?

A: Yes.

Q: Concerned?

A: Didn't pay much attention to it. Handed to third party.

Q: Stamp. Defendant's?

A: Yes.

(To court): I mean I see my company's name but I don't know if it came from my company's rubber stamp.

Q: AB-423. Seen about 12/5/95?

A: If sent to my office I might have seen it.

Q: AB-487. Fax 5630626. Defendant's fax number?

A: Yes.

Q: Seen?

A: Yes. Think so.

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> Q: Not concerned?
>
> A: I handed over to third party.
>
> Q: AB-572. Recall seeing?
>
> A: Yes.
>
> Q: Not concerned?
>
> A: Did not pay much attention and I handed to third party."

These documents from the agreed bundle are except for AB-397 all copies of quotations for the supply or for the supply and installation of materials for the main contract addressed to Lip Guan and in each case except for AB-487 they are marked for the attention of Mr Phua. AB-487 is marked for the attention of Mr Erh. AB-397 is a copy of a quotation to Lip Guan for the attention of Mr Phua with the acceptance indorsed on it signed by Mr Phua over the name of Lip Guan stamped on it.

25. In his first affidavit Mr Chong said:

> "Therefore, as long as the defendants deducted the 2% fees, the defendants would make payment directly to whoever C C Phua requested to pay and the balance payment would be paid to Superast. The defendants only paid the progress payments to the plaintiffs upon C C Phua's request and if the defendants had been aware of the (undated) Works Order Agreement, the defendants would not have [made] payment to the plaintiffs, since then the defendants would become personally liable to the [plaintiffs]."

Under cross-examination Mr Chong said:

> "Q: Means as long as you can deduct from Superast's account not concerned who was invoicing defendant?
>
> A: If in respect of this project I would ask third party if I can make payment. If third party says I can I would pay and deduct from Superast's account."

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The statements of account produced in each case where there was a payment to Patson showed the amount received from JTC for progress payment, a deduction of 2% (except for the last two statements), adjustments for GST and a deduction for payments to "suppliers" as shown in the accompanying statements. Except for the last two statements there were also adjustments for factoring arrangements entered into by Lip Guan and previous payments on account.

26. Lip Guan as the main contractor would receive the contract price from JTC in monthly progress payments and it would pay Superast the balance after paying the suppliers and sub-contractors as long as the payments were in respect of this project. There was always a risk of overpayment as the progress payment for a particular month which Lip Guan would expect to receive might be insufficient to cover payments made to suppliers and sub-contractors. The main contract was a lump sum contract and as Mr Phua said some part of the price for roof works was distributed over other items in the elemental breakdown of cost which served as a guide for progress payment only. There was some amount of "front loading" which could result in earlier progress payments being more than the actual value of work done and materials on site.

27. Eleven statements were issued by Lip Guan to Superast. The following table shows the amount paid to suppliers and sub-contractors and to Superast in respect of the main contract works:

		Paid to suppliers / sub-contractors (other than Patson)	Paid to Patson	Paid to Superast
1995	January	$299,762.06	-	$118,442.21

	February	$ 97,206.04	-	$128,714.69
	March	$ 48,294.50	-	$181,776.58
	May	$243,910.14	$20,000	$274,740.57
	June	$185,888.85	$40,000	$104,755.04
	July	$242,975.82	$50,000	$132,525.06
	August	$224,468.69	$40,000	$ 48,142.42
	September	$ 77,615.46	-	(Shortfall $20)
	November	$148,920.21	$40,000	$ 397.41
1996	February	$129,000.00	$15,000	$ 808.35
1997	July	$279,735.45	-	(Shortfall $554.44)

(Final account under main contract)

Lip Guan had overpaid Superast. As noted above in August 1995 Patson submitted a progress claim of $118,145. It received $40,000. It received nothing in September. What Lip Guan received from JTC was not enough to pay all the suppliers and sub-contractors. After payment of $77,615.46 there was a shortfall. There was just not enough to make any payment to Patson for the rest of its August 1995 progress claim even as late as February 1996. There were no further statements until the final account and by then there was another shortfall. Even the 2% to which Lip Guan was entitled was not deducted from the November 1995 and subsequent statements. Progress claims had been submitted to JTC which had paid to Lip Guan which had in turn paid to and for the account of Superast without any reserve for "front loading".

28. Ms Lee knew about the works order. She typed it for Mr Phua to sign in the name of Lip Guan. She prepared the cheques for Mr Chong to sign to pay Patson and he signed. By May 1995 Mr Chong would have known that roof works were being executed by Patson. It does not matter whether he himself knew if the works order had been issued in Lip Guan’s name. He knew that Mr Phua was

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asking for quotations and quotations were given to Lip Guan for the attention of Mr Phua. He also knew that Mr Phua must have accepted these quotations with or without further negotiations and he would have done so in Lip Guan's name. He himself referred the quotations to him. He did not as he said pay much attention to them. I think he authorised Mr Phua to contract with suppliers and sub-contractors including Patson. In my judgment Lip Guan by the conduct of both its managing director Mr Chong and its other director Ms Lee expressly authorised Mr Phua to issue the works order in the name of Lip Guan. The works order was issued in October 1995 but the agreement for the works covered by it was made in May 1995. Lip Guan also by the conduct of its managing director expressly authorised Mr Phua to issue the additional works order in its name.

29. I accordingly gave judgment for Patson as claimed with costs and I dismissed Lip Guan's claim against Mr Phua with costs.

Dated this 9th day of November 1998.

LIM TEONG QWEE

JUDICIAL COMMISSIONER

SUPREME COURT

Lim Teong Qwee JC

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Patson Marketing & Construction Pte Ltd v Lip Guan Construction Pte Ltd (Phua Chor Chiang, Third Party) [1998] SGHC 367

Lisa Sam (Donaldson & Burkinshaw) for the plaintiff
Sarbrinder Singh and Sunil Singh (Yong Koh & Partners) for the defendant
Tai Chean Ming (Chong Chia & Lim) for the third party
