AROUND RAJAH & TANN
Second Quarter 2005 Round-Up

In this Second Quarter of 2005, Rajah & Tann welcomes former Supreme Court Judge, Justice MPH Rubin, to the Firm. The Firm is extremely honoured to have Rubin join the Firm as a consultant. Our article on page 10 features Rubin and his illustrious career.

Additionally, our lawyers continue to be involved in cutting edge matters both in the courts and outside, and the Firm has bagged honours at the Asian Legal Business Deals of the Year Awards SE Asia 2005.

R&T Bags Top Awards In ALB Deals Of The Year Awards
At the Asian Legal Business Deals of the Year Awards SE Asia 2005, Rajah & Tann scored an impressive victory by winning an award for the Singapore Insolvency & Restructuring Deal of the Year for its restructuring of China Aviation Oil (S) Corp. In the highly publicised case, China Aviation Oil incurred US$550 million in derivatives trading losses. Partner Patrick Ang of the Business Finance & Insolvency Practice Group has been acting for the company in restructuring its debts in a proposed scheme of arrangement.

Rajah & Tann was also named Singapore Shipping Firm of the Year. This honour is well deserved as the Admiralty & Shipping Practice Group has been involved in some of the most high profile cases, such as the collision between the ‘RSS COURAGEOUS’ and ‘ANL INDONESIA’ and the incident involving a flash fire on board the vessel ‘ALMUDAINA’, to name a few. The Admiralty & Shipping Practice Group, helmed by Steven Chong SC, continues to maintain and develop its sizeable lead in the industry.

Admiralty & Shipping
On the shipping front, the team continues to receive high profile instructions. Most recently,
Steven Chong SC was instructed by Conoco Philips to act against another company for losses incurred as a result of that company’s failure to perform under a contract for the sale of fuel oil. The losses of about US$900,000 consist of additional charges incurred by Conoco for chartering a vessel to carry the fuel oil.

Jainil Bhandari is acting for Andhra Pradesh State Trading Corporation in a dispute with a Hong Kong party involving the sale of iron ore. He is also acting for Andhra against the banks involved in the operations of the letters of credit. The claim is in the region of US$2.7 million. This brief is of particular interest as it further strengthens our South Asia experience.

Corporate & Capital Markets

The Corporate & Capital Markets Practice Group continues to be involved in a number of significant deals. Corporate partners Goh Kian Hwee, Serene Yeo, Lawrence Tan and Cynthia Goh are advising UOB on its divestment of part of its interest in UOL. The deal involves the proposed distribution by UOB of up to approximately 19.4% of the issued share capital of UOL to UOB shareholders and the issue of S$276.25 million in principal amount of exchangeable bonds which are exchangeable into cash or, at UOB’s option, approximately 15.35% of the issued share capital of UOL.

This disposal of shares in UOL has been structured to enable UOB to take a significant step towards meeting the banking regulatory requirement that mandates Singapore banks to divest their non-core businesses by July 2006.

Goh Kian Hwee and Lawrence Tan are acting for SC Global Developments Ltd in its pre-conditional voluntary offer for Vantage Corporation Limited. Offering cash cum new SC Global shares as consideration, the unsolicited offer values Vantage Corporation at about S$53 million.

Lawrence Tan is also acting for Meridon Pte Ltd in its purchase of 14 million shares in SC Global Developments Ltd from Ming Teik Investment Pte Ltd. The purchase price amounts to roughly S$14 million.

Hyflux Ltd has engaged Rajah & Tann to act for it in its disposal to Temasek Holdings of a 50% interest in SingSpring Pte Ltd, the special purpose
vehicle which has a 20-year water purchase agreement with the Public Utility Board to develop, finance, build, own and operate Singapore’s first seawater desalination plant. The consideration for the 50% interest is S$30 million. The plant is currently under construction and is said to be worth approximately S$200 million. Sin Chei Liang and Danny Lim are advising Hyflux in connection with the disposal and the post-disposal shareholders’ agreement.

The Group has also had a sizeable share of the recent IPOs on the market. Arnold Tan acted as counsel in the listing of PEARL Energy Limited, making it the first exploration and production company to list on the mainboard of the SGX-ST. Shares worth a total of S$77.6 million were offered. PEARL is an oil and gas company engaged in the exploration, discovery, development and production of oil and gas exclusively in Southeast Asia. Pearl has interests in nine contract areas covering approximately 33,000 sq km of gross acreage located in Indonesia, Thailand and the Philippines.

Partners Wong Kok Hoe and Liew Lan Hing acted for Pine Agritech Limited in connection with its listing and quotation on the mainboard of the SGX-ST. The company is principally engaged in soybean-based products, namely soy protein isolates, soy oligosaccharide syrup and soybean oil. The listing saw the company raise a total of S$86.25 million from the offer of 150 million shares.

**Dispute Resolution**

Our litigation lawyers have been involved in several exciting cases, some of which have made the headlines. Steven Chong SC, Andrew Ong, Ronald Choo and Sim Kwan Kiat are acting for Beckkett Pte Ltd in a case concerning the sale of pledged shares by Deutsche Bank. In this case, which was featured in the news recently, Beckkett acted as guarantor when its subsidiary, Asminco Bara Utama (‘Asminco’), took a loan from Deutsche Bank. Asminco pledged its shares in two companies, PT Adaro Indonesia and PT Indonesia Bulk Terminal, as collateral. Adaro is Indonesia’s largest coal mine. Deutsche foreclosed on the loan and sold the shares. It was alleged that these shares were sold at undervalue. Beckkett is now suing both Deutsche
as well as the purchaser of the shares, Dianlia Setyamukti.

Our lawyers have done well so far, and have recently won an application for the variation of the Riddick Principle to allow documents which were disclosed in the Singapore proceedings to be used in Indonesia to obtain an interim injunction to restrain the disposal of the shares.

Steven and Kwan Kiat, assisted by Kelvin Poon, also had a win against Petrosin Corporation Pte Ltd, who were represented by M/s Haq & Selvam. The High Court of Singapore dismissed a claim with costs by Petrosin against our clients, Clough Engineering Ltd, as to whether a contract was concluded between the parties.

Chandra Mohan, Co-Head of the Commercial Litigation Practice Group, is acting for foundations allegedly set up by the Marcos family in a cross-border dispute with the Philippine government over S$40 million in Swiss bank accounts held by the family. This dispute is among a multitude of lawsuits that have been filed concerning the embezzlement of his country’s funds by the former Philippine leader.

Daniel Koh has scored an impressive win in the Courts on behalf of Kaki Bukit Industrial Park Pte Ltd. In this case, which hit the headlines recently, Daniel succeeded in proving that Ho Kok Cheong, a well-known local property developer, was acting as a shadow director of the company, and that together with another director, they were in breach of their fiduciary duties to the company. The Singapore High Court also held that the two had been a party to the carrying on of the company’s business with an intention to defraud the creditors of the company. Two others, namely another director and the company secretary, were ordered to be personally liable to the company for cheques which they had signed without question as to their propriety and while ignoring procedural irregularities. A complaint concerning the fraudulent transactions has also been lodged with the Commercial Affairs Department.

iTec

The iTec Practice Group has had a series of notable wins in the Courts and secured a significant new engagement. In September 2004, Rajah & Tann successfully applied for search
warrants under the Copyright Act, which were executed at various warehouse and office units occupied by the group operating the ‘TS’ chain of video retail outlets. During the raid, DVDs, VCDs and documents were seized and images of computer hard disks were also made. The raid was the culmination of investigations by the Anti Video Piracy Association (Singapore) (‘AVPAS’) and its member company, Odex Pte Ltd, into the possible sale of DVDs and VCDs which infringed the copyrights of various video titles owed by members of AVPAS and/or licensed to Odex.

Proceedings were brought by the TS chain to quash the search warrants, but these were dismissed by Chief Justice Yong Pung How. In the landmark decision issued in May 2005, His Honour held that search warrants granted under the Copyright Act could permit the ‘seizure’ of computer files by electronically ‘imaging’ the hard disk drives in question. AVPAS and Odex were represented in court by Lau Kok Keng and Siew Kum Hong.

Daniel Koh has won a case on behalf of iCADAM Technologies in the Singapore High Court. iCADAM is in the CAD-CAM software development industry. iCADAM filed a suit against CAD-IT Consultants (Asia) Pte Ltd and its former employee for defamation. It was alleged that the employee had defamed iCADAM at a presentation conducted for Amtek Engineering Ltd.

The iTec Practice Group has been engaged by PT Bank Danamon Indonesia Tbk, the second largest private national bank and the fifth largest commercial bank in Indonesia, to advise on and draft all of its template agreements in relation to information technology (‘IT’). The Practice Group has also been engaged to act in any future negotiations of IT agreements into which Bank Danamon will enter.

Projects & Infrastructure

The Projects & Infrastructure Practice Group has had a fruitful second quarter with its lawyers enjoying success in the courts either through wins or through settlement of the disputes. Edwin Lee acted for the Management Corporation of Grange Heights Condominium which was disputing Lee Tat Development’s attempts to stop the condominium’s residents from using a road adjacent to the condominium, owned by Lee Tat Development, as a shortcut.
Edwin successfully argued the matter in the High Court, which ruled in the Management Corporation’s favour. Lee Tat Development’s appeal was also subsequently dismissed by the Court of Appeal.

Edwin Lee has also been involved in the following matters:

- Acted for a plumbing and sanitation contractor in a claim for wrongful breach of contract against a main contractor for a Mass Rapid Transit Circle Line project. The main contractor had claimed that there was no letter of award and that they were entitled to award the sub-contract to another contractor. The High Court suit was successfully settled.

- Acted for a civil engineering contractor in a dispute with the main contractor over the construction of a water treatment plant. The dispute was over the scope of works, variations and defects. The High Court suit was successfully settled.

Soh Lip San acted for a Korean public-listed construction company against two other Singapore public-listed companies. The dispute concerned the construction of a cement silo project in Singapore and the aggregate claims by all parties was more than S$8 million. The High Court suit was successfully settled.

Soh Lip San has also acted for underwriting banks HongKong and Shanghai Banking Corporation Ltd, Sumitomo Mitsui Banking Corporation Ltd and ING Bank NV in a S$525 million project financing transaction for Keppel Energy Pte Ltd, relating to the 500 megawatt Keppel Merlimau cogeneration project in Singapore.

Kirindeep Singh acted for a contractor in a claim against its client, for payment relating to works carried out for extension of Newwater pipelines. The Singapore High Court suit was successfully settled.

**Property**

The Property Practice Group has been involved in several large deals. For instance, partner Ong Hway Cheng is acting for water treatment company Hyflux in the sale and leaseback of Hyflux building for S$19 million to AReit. Hyflux’s wholly-owned subsidiary, Hydrochem (S) Pte Ltd entered
into a put and call option with the trustee of AReit. The exercise option is conditional upon, inter alia, the trustees obtaining JTC’s approval of the transaction. Hydrochem is entering into a 15 year lease with AReit to lease back the building.

Partner Lai Pui Ming is acting for Ang Oon Hue Pte Ltd, the owner of Sembawang Shopping Centre, in the sale of the property to CapitaMall Trust. Parties entered into an agreement on 30 April 2005 for the sale and purchase of the 999 year leasehold property at the purchase price of S$78 million. The sale and purchase is expected to be completed in early June.

Seminars
Steven Chong SC recently chaired a session on ‘Confidentiality Issues in Institutional Arbitration’ at the symposium ‘Institutional Arbitration in Asia’ organised by the ICC International Court of Arbitration and the Singapore International Arbitration Centre in February 2005. Steven, who has been named in the publication ‘International Who’s Who Of Commercial Arbitrators’, is an accredited arbitrator of the Singapore International Arbitration Centre and the Singapore Chamber of Maritime Arbitration.

Andrew Ong’s seminar entitled ‘The Dealer’s Indemnity For Losses In Clients’ Cash Accounts And Margin Accounts’, conducted on 25 February 2005, was well received by clients. Andrew’s talk covered the liability of dealers to indemnify the company for losses in the cash accounts of their clients or for margin account losses in the context of two recent cases, Ong & Co Pte Ltd v Lai Siew Ping Vivien (2003) and Ong & Company v Lua Soo Theng (2005).

Aviation, recently deregulated in various Asian countries, has become the next market segment to be closely watched as corporations and countries have been competing for a slice of this pie in the sky. In response, Rajah & Tann will be conducting a seminar on aviation in the Asia-Pacific in the third quarter of 2005. The seminar will be held over two days. Speakers from Rajah & Tann as well as industry participants will share their insights on the legal and practical issues affecting this industry and its market players. Details on dates and the venue of the seminar...
are in the process of being finalised, and will be released shortly on the Events page of the Firm’s website (http://eoasis.rajahtann.com/eOASIS/gn/events.asp). An e-alerter will also be sent to clients notifying them of the details of the event.

Rajah & Tann’s virtual Competition and Trade Laws Practice Group was one of the first off the post in organising a seminar on competition law following the release of the draft Guidelines by the Competition Commission of Singapore. The talk was well attended and the partners of the Group have received many requests by clients to tailor talks for their specific organisations. The Group has also been actively advising a number of clients on competition laws.

The LunchTime Seminar Series, now into its sixth year, kicked off with a session by the Infrastructure & Major Projects Practice Group on the Security of Payment Act 2004. This was followed by sessions on Anti-Moneylaundering, Limitation of Shipowners’ Liability and Directors’ Duties in Insolvency. The seminars have been well attended and we continue to receive positive feedback on the seminars. Clients wishing to attend any of the remaining sessions may view the schedule of seminars and register for them at http://eOASIS.rajahtann.com.

**Other News**


We are also pleased to announce that Quentin Loh SC was amongst the first batch of adjudicators appointed by the Singapore Mediation Centre for the conduct of adjudication proceedings under the recently introduced Building and Construction Industry Security of Payment Act 2004.

Finally, we are pleased to note that Kala Anandarajah has been recognised as a leading Corporate Governance lawyer by Euromoney Experts Legal Guides on the World’s Leading Corporate Governance Lawyers 2005.