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

[2026] SGHC 29

Originating Claim No 777 of 2023

Between

LinkChina Capital Pte Ltd

… *Claimant*

And

Sparrow Tech Pte Ltd

… *Defendant*

GROUNDS OF DECISION

[Contract _ Contractual terms _ Express terms]

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LinkChina Capital Pte Ltd
v
Sparrow Tech Pte Ltd

[2026] SGHC 29

General Division of the High Court — Originating Claim No 777 of 2023
Lee Seiu Kin SJ
2–5 June 2025

6 February 2026 Judgment reserved.

Lee Seiu Kin SJ:

The facts

1 The claimant is a Singapore company engaged in business advisory services. The defendant is also a Singapore company involved in developing software in financial technology. The defendant had established an options trading platform for digital assets called the Sparrow Exchange, through which its customers trade and swap cryptocurrency-based options such as Bitcoin and Ethereum options.

2 By a letter of engagement dated 20 August 2021 ("Engagement Agreement"),[1] the defendant appointed the claimant as its exclusive consultant, to provide a suite of services that would lead to the divestment of the whole or

[1] AEIC of Qian Lili dated 14 June 2024 ("QL-1") at p 55–59; Defendant's Core Bundle ("DCB") at p 6.

part of the defendant to potential investors.[2] As provided in clause 3 of the Engagement Agreement, the consideration for a successful divestment was a success fee of 3% of the "enterprise value of the Company as agreed between the Company and the Buyer"[3] ("Success Fee"). Clause 3 of the Engagement Agreement also provides that, "notwithstanding any termination of LinkChina's engagement" under the Engagement Agreement, the Success Fee shall be payable if the divestment is completed within two years from the date of such termination.[4]

3 Sometime in August or September 2021, the claimant introduced Amber Global Ltd ("Amber") to the defendant.[5] Over the following nine months, negotiations were carried out between Amber and the defendant, in which the claimant participated in accordance with the terms of the Engagement Agreement. A partially binding key commercial term sheet ("Term Sheet") was entered into between some of the defendant's shareholders and Amber on 18 November 2021.[6] Pursuant to the provisions of the Term Sheet, the defendant underwent restructuring in December 2021.[7] A new company was incorporated, Sparrow Holdings Pte Ltd ("SHPL") which would be the target company of the proposed sale. SHPL then incorporated two subsidiaries, Sparrow Digital Pte Ltd and Sparrow Research Pte Ltd.[8] On 6 January 2022, all

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[2] Statement of Claim ("SOC") at para 5; QL-1 at para 36; QL-1 p 55–59 ("Engagement Agreement"), clause 1; AEIC of Yeo Ji Jia Kenneth dated 14 June 2024 (YJJ-1) at para 23.

[3] Engagement Agreement p 5, clause 3.

[4] QL-1 at para 8.

[5] QL-1 at para 52–62.

[6] QL-1 at para 69; QL-1 p 466–472 ("Term Sheet").

[7] QL-1 at para 77; QL-1 p 494–499.

[8] QL-1 at para 77–80.

the defendant's shareholders transferred their shares in the defendant to SHPL in consideration for shares in SHPL.[9]

4 A key provision of the Term Sheet is clause 5, which states as follows:

> "Based on review of the information provided to Amber to date and Amber's overall market knowledge and experience, Amber believes that for an all cash deal, the Target Shares are valued at USD50 million ("Base Valuation"), on an assumption that a Target Group Company shall obtain the Major Payment Institution License ("MPIL") from MAS on or before the Long Stop Date (as defined below). The Base Valuation is on a 'cash free, debt free' basis, and the aggregate purchase price shall be based on the Base Valuation and subject to a customary post-closing net asset value adjustment."[10]

5 The long stop date was defined as 31 March 2022, or such other date up to 31 December 2022 as Amber may agree to.[11] However, SHPL was unable to obtain the major payment institution license ("MPIL") before 31 March 2022 and, according to the defendant, the deal with Amber fell through.[12] Consequently, on 12 May 2022, the defendant gave one month's notice to the claimant to terminate the Engagement Agreement.[13]

6 I need not be concerned with the details of what happened next. Suffice it to say that, less than three months later, on 28 July 2022, a share purchase agreement ("SPA") was entered into between the shareholders of SHPL and Amber.[14] Under the SPA, the shareholders agreed to sell all their shares in SHPL for the following consideration: "US$16.9 million – Third Party Indebtedness

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[9] QL-1 at para 78; QL-1 at p 501–561.

[10] Term Sheet p 460, clause 4.

[11] Term Sheet p 460, clause 5.

[12] QL-1 at p 338; YYL-1 at para 51.

[13] QL-1 at para 81; QL-1 at p 338; YJJ-1 at para 55.

[14] QL-1 at p 583–659 ("SPA").

+ Additional Purchase Price A + Additional Purchase Price B"[15]. The transaction ('Transaction") was completed on 29 November 2022.

7 Upon learning of the signing of the SPA between Amber and the defendant, the claimant issued a fee note pursuant to clause 3 of the terminated Engagement Agreement. The fee note issued on 19 April 2023 claimed an advisory fee of US$1,500,000 representing "3% of the enterprise value" based on details of the transaction obtained by the claimant from the defendant.[16] However, after the claimant received a copy of the SPA and completion statement from the defendant,[17] the claimant issued a revised invoice on 7 June 2023 for US$1,644,417.93,[18] on the basis of a revised enterprise value of US$54,813,931. The defendant did not pay on either invoice, and the claimant claims the sum along with contractual default interest of 1.5% month in the present suit. [19]

8 The claimant contended that pursuant to clause 3, as stated in [2], that notwithstanding that the Engagement Agreement was terminated on 12 May 2022, as the SPA was entered into within the two-year period, the Transaction was essentially completed. The dispute was in essence over the quantum of the fee that the claimant was entitled to.

9 There was no credible challenge by the defendant on this issue, and I hold that clause 3 of the Engagement Agreement is engaged by the SPA. Therefore, the defendant is liable to the claimant for the Success Fee as set out

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[15] SPA p 598, clause 3.1.

[16] QL-1 at para 99; QL-1 p 357; YJJ-1 at para 82.

[17] QL-1 at para 100–104; QL-1 p 916, 1008.

[18] YJJ-1 at para 91–93.

[19] QL-1 at para 47; Engagement Agreement, clause 5.

in the first part of clause 3 of the Engagement Agreement for 3% of the *enterprise value* of the Company as agreed between the Company and the Buyer (emphasis added).

Allegation of dishonesty on the part of the defendant

10 Before proceeding further, I turn to address the claimant's submission that the defendant's evidence is incredible and unreliable. I deal with each contention in turn.

11 The first is that the defendant had sold their shares for practically nothing.[20] Under clause 3 of the SPA, the purchase consideration depended on the amount payable under Additional Purchase Price A ("APPA") and Additional Purchase Price B ("APPB"), which at their maximum would total to about US$17 million (and it could be a lot less).[21]

12 As the total indebtedness was about US$21 million, the maximum consideration was about US$13 million. This was significantly lower than the valuation in the Term Sheet of US$50 million.[22] However, the Term Sheet had made it clear that this figure was based on the company acquiring an MPIL from MAS by 31 March 2022. The evidence before me was that after the defendant had failed to do so by that date, the original deal fell apart. By that time, the cryptocurrency market had been on a decline since December 2021, compounded by the crash of Terra Luna and TerraUSD on 12 March 2022. The claimant gave evidence that Amber was no longer interested in proceeding with

[20] QL-1 at para 96–97.

[21] SPA at clause 3.

[22] QL-1, Term Sheet, clause 5.

the transaction.[23] The crypto crash in 2022 is well documented and it does not defy logic that Amber would have decided to jettison the deal. Indeed, it would have defied logic if Amber had not done so when the opportunity presented itself.

13 It was only on 21 June 2022 that MAS issued the defendant with a letter granting in-principle approval for the MPIL.[24] The defendant gave evidence that, by this time, the crypto market was still in decline. Pertinently, Vauld, a company in which the defendant had crypto assets of about US$17.1 million, suspended all withdrawals on 4 July 2022 affecting the defendant's liquidity status.[25] The defendant faced a liquidity crunch, and its shareholders were not forthcoming with more capital.[26] It was in these circumstances, and in the face of declining market sentiments in the crypto market, that the defendant approached Amber to negotiate a new deal on an urgent basis.[27] The defendant's evidence is corroborated by evidence from Mr Ma Lin, the Chief Legal Officer of Amber.[28]

14 I should add here that the claimant made lengthy submissions regarding the credibility of the defendant's evidence in this regard. I do not intend to say anything more than that the claimant had chosen to disregard the factual situation of the crypto crash at the time. In my view, if the situation is seen in that light, it is not difficult to appreciate the desperate situation the defendant faced and the urgent decisions they had to take to salvage their position.

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[23] QL-1 at para 81.

[24] QL-1 at para 83; YJJ-1 at para 58.

[25] YJJ-1 at para 62.

[26] YJJ-1 at para 63.

[27] YJJ-1 at para 64.

[28] AEIC of Ma Lin dated 21 June 2024 ("ML") at para 10–11.

Therefore, as I find that the defendant's version of commercial desperation is supported by the facts regarding the sentiments on crypto at the time, and there were no documents are before me to support the claimant's claim that there were other benefits that flowed to the vendors, I am unable to make any finding regarding this allegation. The determination of the enterprise value ("EV") can only proceed on the basis of the documents and other evidence before me.

15 It is convenient to address here, one of the submissions of the claimant regarding clause 5 of the Term Sheet (reproduced in [4] above). The claimant contended that the base valuation figure of US$50 million could be used in determining the EV because that is what was specified in the Term Sheet. However, this ignores the opening line of clause 5 which states that this was a belief based on a review of the information provided to Amber to date. The significant change in the market conditions as well as the commercial desperation of the vendors would have significantly altered the dynamics of the negotiations between the parties to the SPA.

16 The second contention was that the defendant had persistently refused to produce documents. However, the claimant had, in fact made discovery applications for documents, some of which were dismissed by the Assistant Registrar.[29] The claimant did not appeal against those orders. It does not behove the claimant to now characterise this as a persistent refusal to produce documents. The burden lies on the claimant to prove its case, and all the more so where fraud is alleged. If the claimant believes that there are documents in the possession of the defendant that would prove those allegations, it is for the

[29] HC/SUM 2544/2024, Notes of Evidence; Defendant's Closing Submissions ('DCS") at para 154–157.

claimant to apply for a discovery order and they have not succeeded in obtaining one.

17 The third contention relates to the issue of the completion statement. It turned out that a document given by the defendant to the claimant which the defendant claimed was a completion statement ("Alleged Completion Statement") for the SPA was in fact not such a document.[30] The defendant explained that, in response to a demand from the claimant's lawyers, the defendant produced the Alleged Completion Statement which contains information culled from various documents.[31] Although the claimant rightly made much of this, I am of the view that this is a red herring as the issue is the quantum of the EV, and this did not depend on any completion statement. In any event, the actual completion statement, dated 29 November 2022, was eventually provided by Mr Ma Lin, the Chief Legal Officer of Amber.[32]

Definition of enterprise value

18 There are two questions that need to be answered: (a) what is the definition of enterprise value and (b) what is the quantum of the enterprise value. I turn to address the first question. What is "enterprise value"? The Engagement Agreement does not contain a definition of this term. The claimant pleaded that the term EV in clause 3 of the Engagement Agreement is derived from the following formula ("Formula"): "Enterprise Value = Equity Value + Total Debt – Cash".[33]

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[30] QL-1 at para 101–104.

[31] YJJ-1 at para 16–17.

[32] ML at p 149.

[33] SOC at para 7.

19 The defendant did not admit to this in its Defence and put the claimant to strict proof.[34] The claimant had pleaded that the parties "understood, knew, and/or agreed" that the Formula would be applied to determine the EV.[35] The defendant denied this, averring that there was no discussion or agreement between the parties on the definition of EV.[36] Therefore, the meaning of EV in the Engagement Agreement falls to be determined on an objective basis, looking at what people in this line of business would have understood the term to mean.

20 The claimant contended that "there is no ambiguity" in the term EV. In support of its position, the claimant called an expert, Mr Foo Sheue Chuan to give evidence of the concept of EV and his assessment of the EV in this case. In respect of the concept, Mr Foo's evidence is aptly summarised as follows:

> "The concept of EV is commonly used by brokers and introducers as a way to measure success fees in the context of acquisitions. EV provides a more holistic view of what a purchaser is actually paying to acquire the business in any divestment as it reflects the true costs of acquiring the business, including the assumption of any outstanding debts by the acquirer. For example, if the EV of a business is US$50 million but the company has US$25 million in net debts, the acquirer would likely be only prepared to pay US$25 million to acquire the equity of the business – but this, however, would not change the fact that the business was valued at US$50 million. Additionally, EV would serve as a more accurate measure of the scale of the divestment and would not be susceptible to manipulation by the parties to the transaction as it captures the full value of the business divested regardless of how its financing was structured."[37]

[34] Defence at para 7.

[35] SOC at para 8.

[36] Defence at para 8(a).

[37] Claimant's Closing Submission ("CSC") at para 27.

21 The defendant's expert witness, Mr Ong Woon Pheng, cited International Valuation Standards 2022, published by the International Valuation Standards Council, in which EV is defined in the following manner:

> "Often described as the total value of equity in a business plus the value of its debt or debt-related liabilities, minus any cash or cash equivalents available to meet those liabilities", with equity value defined as "the value of a business to all its equity shareholders".[38]

Mr Ong also cited a text published by McKinsey & Company, "Valuation: Measuring and Managing the Value of Companies" 5th Edition, which defined EV in the following manner: "Many investment professionals define enterprise value as interest bearing debt plus the market value of equity minus excess cash."[39]

22 It can be seen that the experts agree on the concept and definition of EV and that this was applicable in relation to the Engagement Agreement. The only dispute between the experts was on the application of the formula which determines the quantum of the EV. I therefore hold that the term EV in the Engagement Agreement is as contended by the claimant.

23 The defendant made a further argument in this manner. The Engagement Agreement provides that the success fee is 3% of the EV of the Company "as agreed between the Company and the Buyer". Because there was no such agreement on the EV recorded in the SPA or any evidence anywhere that there was such an agreement, there is, therefore, no success fee payable. I can put short shrift to this argument. It cannot be the intention of the parties that the determination of the EV must rest on an express agreement between the vendor

[38] AEIC of Ong Woon Pheng dated 30 August 2024 ("OWP") at para 17.

[39] OWP at para 18.

and purchaser as to the EV. The SPA is concerned with the terms of the sale and purchase, which is primarily the purchase price and conditions of the completion. Parties are not concerned to determine what the EV is. This "agreement" on the EV under the Engagement Agreement must be intended to be objectively determined by considering the financial terms of the SPA and the accounts of the target company.

Quantification of Enterprise Value

24 Under the Formula, the three components of EV are (a) equity value, (b) debt and (c) cash (and cash equivalents). These are determined in turn below.

Equity value

25 In my view, the purchase consideration is the best estimate of the equity value of SHPL. Experts can go to great lengths discussing theoretical possibilities involving discounted cash flows and other methods of valuing a company. However, those methods require many assumptions regarding profit stream and discount rates, which cannot be as satisfactory as a commercial transaction negotiated at arms' length between a purchaser and vendor, each looking after its own interest. No academic postulation can be better than that situation where parties "put their money where their mouths are" in an arm's length transaction. There is no evidence that the present transaction was not conducted at arm's length.

26 Under clause 3.1 of the SPA, the purchase consideration for the shares in SHPL is to be determined according to the following formula, which has four components:

(a) Purchase consideration = US$16.9 million - Third Party Indebtedness + Additional Purchase Price A ("APPA") + Additional Purchase Price B ("APPB")

(b) Both experts agree that Third Party Indebtedness was US$21,595,136.30.[40]

27 The third and fourth components, Additional Purchase Price A ("APPA") and Additional Purchase Price B ("APPB") that are defined in clause 9 require more explanation as they concern receivables owed by Vauld to the defendants that they sought to account for in the case they were recovered. APPA and APPB have been set out in the following manner at clause 9:[41]

> *9.1. Subject to Completion, if, during the period commencing on the date of this Agreement and expiring on the Final Release Date, Vauld has repaid any amount of the Vauld Receivables to the Group (such amount, being the* ***"Recovered Vauld Receivables"),*** *the Purchaser shall pay to the Vendors an additional purchase price equal to the USD equivalent of the Recovered Vauld Receivables on the payment date set forth below by the Purchaser to the Vendors calculated in accordance with rules of conversion in accordance with Clause 1.11,* ***("Additional Purchase Price A").*** *Additional Purchase Price A shall be paid to the Vendors in three instalments, each payable within 10 Business Days after (a) the first anniversary of Completion, (b) the second anniversary of Completion and (c) the Final Release Date, respectively (each an* ***"Additional Purchase Price A Payment Date").*** *On each Additional Purchase Price Payment Date, the Purchaser shall pay an amount equal to the Recovered Vauld Receivables received by*

[40] AEIC of Foo Sheue Chuan dated 30 August 2024 ("FSC") at para 5.4.8(b); OWP at para 62.

[41] DCB at p 51–53.

the Group from the last Additional Purchase Price A Payment Date (if applicable) until the relevant Additional Purchase Price Payment Date, provided however that if on the Additional Purchase Price A Payment Date there is any Withholding Outstanding Claim that remains outstanding (for the avoidance of doubt, such Withholding Outstanding Claim shall exclude claims of which the Vendor Liability Amount have been set off by the Purchase Consideration in accordance with Clause 8.2), then, in addition to and without prejudice of the Purchaser's right under Clause 8:

9.1.1. the amount of the Additional Purchase Price A payable shall be retained by the Purchaser pending final agreement or determination of all Withholding Outstanding Claims;

9.1.2. upon final agreement or determination of any Withholding Outstanding Claim, the balance of the Additional Purchase Price A shall be reduced by the Vendor Liability Amount (if any are so agreed or determined) in respect of that Withholding Outstanding Claim; and

9.1.3. the Additional Purchase Price A shall be paid by the Purchaser to the Vendors within10 Business Days after final agreement or determination of all Withholding Outstanding Claims.

*9.2. Subject to the satisfaction of the following conditions prior to the Final Release Date and Clause 9.3, if the amount of Recovered Vauld Receivables is less than the amount of Vauld Receivables, the Purchaser shall, within 10 Business Days after the Final Release Date, pay to the Vendors an amount (the "**Additional Purchase Price B**") that is equal to the lesser of (a) the amount that is equal to (i) Vauld Receivables minus (ii) the Recovered Vauld Receivables, and (b) US$4,000,000:*

9.2.1. the final CMSL having been issued to the relevant Group Company that has applied for the CMSL by the MAS, (i) on terms and with licence conditions that are reasonably satisfactory to the Purchaser; and (ii) which is in full force and effect; and

9.2.2. the closing of a public offering through a bona fide, firm commitment underwriting pursuant to an effective registration statement under the United States Securities Act of 1933, as amended, covering the offer and sale of ordinary shares of any member of the Purchaser's Group for the account of such member of the Purchaser's Group

to the public and reflecting the valuation of such member of the Purchaser's Group and its subsidiaries immediately prior to such offering and sale of at least US$10,000,000,000.

9.3. Notwithstanding Clause 9.2, if, on the Final Release Date, there is any Withholding Outstanding Claim that remains outstanding (for the avoidance of doubt, such Withholding Outstanding Claim shall exclude claims of which the Vendor Liability Amount have been set off by the Purchase Consideration in accordance with Clause 8.2 or the Additional Purchase Price A in accordance with Clause 9.1), then, in addition to and without prejudice of the Purchaser's right under Clauses 8 and 9.1:

9.3.1. the Additional Purchase Price B shall be retained by the Purchaser pending final agreement or determination of all Withholding Outstanding Claims;

9.3.2. upon final agreement or determination of any Withholding Outstanding Claim, the balance of the Additional Purchase Price B shall be reduced by the Vendor Liability Amount (if any are so agreed or determined) in respect of that Withholding Outstanding Claim; and

9.3.3. the Payable Additional Purchase Price B shall be paid by the Purchaser to the Vendors within 10 Business Days after final agreement or determination of all Withholding Outstanding Claims.

9.4. Further, if there is any amount of Vauld Receivables that is still due and payable to the Group from Vauld after payment of Additional Purchase Price A in accordance with Clause 9.1, the Purchaser and the Vendors' Representative shall enter into good faith discussion for an arrangement to assign the remaining amount of Vauld Receivables that has not been repaid by Vauld from the relevant Group Company to a company that is under the Control of the Vendor(s).

9.5. Any payments to be made by the Purchaser to the Vendors in accordance with this Clause 9 will be made to Vendors' Representative Bank Account or such account as has most recently been notified in writing by the Vendors' Representative to the Purchaser prior to such payment being made and the Purchaser will have no liability to the Vendors for the manner in which the Vendors' Representative accounts to the Vendors for the Payable Withholding Amount.

> 9.6. *The Vendor and the Purchaser acknowledge that all payments made under this Clause 9 will be subject to any deductions or withholdings required by Applicable Law.*

28 It can be seen that the components of APPA and APPB are meant to deal with the uncertainty surrounding the successful recovery of the Vauld receivables. The APPA component is meant to refund to the vendor any part of the Vauld exposure that SHPL is able to recover prior to the Final Release Date (defined as 30 months from the date of the SPA).[42] In the event that the Vauld exposure could not be fully recovered by the Final Release Date, the vendor would pay a further sum, APPB, which is the lesser of (i) the shortfall in the recovery of the Vauld exposure; or (ii) US$4 million.[43]

29 A numerical illustration will aid the understanding of this point. Assume that the Vauld recovery is US$5 million. This $5 million is the APPA that is to be paid to the vendor in accordance with the terms of clause 9.1 of the SPA. The difference between the Vauld exposure of US$17.1 million and US$5 million is US$12.1 million. Clause 9.2 of the SPA provides that the vendor shall pay the lesser of US$12.1 million and US$4 million, which is US$4 million as APPB. If, however the Vauld recovery is, say, US$16 million (and APPA becomes US$16 million), then the purchaser need only pay the difference between US$17.1 million and US$16 million, i.e. US$1.1 million as APPB. In essence, Amber is prepared to pay up to US$4 million to cover any shortfall in the recovery of the Vauld exposure in excess of that sum, subject to the conditions in clause 9 being fulfilled.

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[42] DCB at p 32.

[43] DCB at p 52.

APPA quantum

30 Under the SPA, the APPA was to be paid in three instalments, on (i) 28 November 2023, (ii) 28 November 2024 and (iii) 28 January 2025.[44] According to Mr Kenneth Yeo, the CEO of the defendant, as of 28 November 2023, the recovered Vauld receivables, in the form of digital assets USD Coin and Ethereum, were valued at US$6,067,046.29.[45] He said that further recovery from Vauld remained uncertain.[46] Mr Yeo exhibited a notification from Amber dated 28 November 2023 advising of the amount of the recovered Vauld receivables, and that as of the date of the notification, the APPB was zero "because the conditions under Clause 9.2 of the SPA have not been satisfied as of the date hereof".[47] Mr Yeo exhibited a further notification letter from Amber in which Amber informed him of its decision to release two million USDC, being a portion of the recovered Vauld receivables, despite stating that the conditions to release the APPA had not been satisfied pursuant to clause 8.2 and clause 9.1 of the SPA. Amber reserved the right to withhold any additional recovered Vauld receivables and the right to claim for losses against the vendors.[48] Mr Yeo stated that he had since received the 2 million USDT from Amber and distributed it among the sellers.[49] Mr Yeo did not give any further evidence regarding any further payments from Amber under the SPA.

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[44] DCB at p 51–52.

[45] YJJ-1 at para 76.

[46] YJJ-1 at para 76–77.

[47] YJJ-1 at para 76–77.

[48] YJJ-1 at para 79.

[49] YJJ-1 at para 80.

31 There was no further evidence provided by the parties as to the final amount of the recovered Vauld receivables. I find, based on the best evidence before me, that quantum for APPA is US$6,067,046.29**.**

APPB quantum

32 As regards APPB, under clause 9.3 of the SPA, this could only be determined on the date of final release, which is 28 January 2025. The defendant took the position that the claimant's claim was premature as the suit was filed on 14 November 2023. The claimant submitted that its right to the success fee was crystallised upon the entering into of the SPA. The only issue is the quantification. I agree with the claimant's submission. In any event, by the time of the trial, the date of final release was over and the information regarding APPB would have been available by the time of the trial which commenced on 2 June 2025.

33 The defendant submitted that APPB is zero on the basis of an email from Amber to the defendant dated 27 November 2022. This email stated that Amber's position is that the APPB as at 27 November 2022 was zero as the conditions under clause 9.2 of the SPA had not been satisfied.[50]

34 However, the defendant did not provide any further evidence as to whether those conditions had been satisfied by the time of the trial. I therefore presume that the defendant did not do so because such evidence would not have been in its favour and accordingly, that the conditions under clause 9.2 had been satisfied and that the defendant was entitled to a payment under APPB. As to the quantum, because the evidence was not available, I presume that the

[50] DCB at p 137–138.

maximum amount of the APPB is invoked, which is US$4 million. Therefore, I hold that the value of APPB is US$4 million.

Purchase consideration

35 Applying the values above, I found that the purchase consideration is US$5,371,909.99 being: US$16,900,000 – Third Party Indebtedness (US$21,595,136.30) + APPA (US$6,067,046.29) + APPB (US$4,000,000).

36 I therefore find that the Equity Value, which I have found is the purchase consideration, is US$5,371,909.99.

Debt

37 Both experts were in agreement that the total debt is US$21,595,136.30.[51]

Cash

38 Both expert witnesses agreed that the cash balance was US$178,252,[52] although the claimant's expert ignored this in his computations on the ground that this was negligible.[53] I find no reason to exclude this and hold that the cash component is US$178,252.

[51] AEIC of Foo Sheue Chuan dated 30 August 2024 ("FSC") at para 5.4.8(b); OWP at para 62.

[52] OWP at para 75; FSC at para 5.4.11(c)(iii).

[53] FSC at para 5.4.11(c)(iii).

Enterprise Value

39 Applying the values found above to the formula:

> EV = Equity Value + Total Debt – Cash:
>
> EV: US$5,371,909.99 + US$21,595,136.30 – US$178,252 = US$26,788,794.29

40 I find the EV to be US$26,788,794.29.

Conclusion

41 I hold that, pursuant to the Engagement Agreement, the defendant is liable to pay the claimant the sum of US$803,663.83, which is 3% of the EV. Therefore, there shall be judgment for the claimant for this sum.

42 I also order the defendant to pay interest, at 5.33% per annum, on the judgment sum from the date of the writ until payment.

43 Unless there is any reason to depart from the usual order for costs, for which the parties have liberty to apply, I order the defendant to pay costs to the claimant, to be taxed unless agreed.

Lee Seiu Kin SJ
Senior Judge of the High Court

Alicia Tan Ruimin, Cheng Wai Yuen Mark, Lim Wee Teck Darren (Rajah & Tann LLP) for the claimant;
Lem Jit Min Andy, Lin Shuang Ju, Poon Pui Yee (Harry Elias Partnership LLP) for the defendant.
