

Local tycoon's family loses part of estate to relatives in Thailand

By Serene Lim

TYCOON Lee Wee Nam's family has lost a 19-year tussle with relatives in Thailand over a part of his vast estate, which is estimated to run into millions of dollars.

The High Court yesterday held his estate accountable to the Thai descendants of his elder brother, Wee Kheng, for breach of trust of substantial shareholdings.

Wee Nam, the younger and more prominent of the two, died in 1964. Wee Kheng died in 1962.

The first suit was filed in 1973 by Wee Kheng's Thai descendants against their half-brothers in Singapore.

They later sued Wee Nam's estate, alleging that Wee Nam, and, after his death, his sons, had committed breach of trust of substantial amounts of shares. Both suits were then consolidated into one.

Justice Chao Hick Tin, who delivered judgment yesterday, granted various orders in favour of the Thai branch, who are Wee Kheng's sons and grandsons by his first wife.

Wee Kheng was a founder member and general manager of the Sze Hai Tong Banking and Insurance Company (now known as Four Seas Bank) until 1969, when he left to set up a branch in Bangkok.

Wee Nam was chairman and managing director of the Singapore bank until just before his death.

Born the sons of a coffin maker in China, they came to Singapore in the 1890s with their youngest brother, Wee Kiat. They set up various business ventures in which all the

investments and properties were regarded as "family properties".

Wee Kiat died in 1927, just months after they had set up Wee Kee Kongsi (a partnership) and had formally agreed that all their businesses would be jointly owned.

The Wee Kheng-Wee Nam partnerships continued until Wee Kheng's death, with all the shares and properties registered in Wee Nam's name. In 1950, a decade after Wee Kiat's widow had relinquished her family's interest, the two other brothers incorporated yet another partnership, Lee Brothers (Wee Kee).

The shares in Lee Brothers were owned by their respective families. All the properties jointly owned by Wee Kheng, Wee Nam, and their respective families were then transferred to Lee Brothers.

Even after Wee Kheng's death in 1962, matters continued as before. Wee Nam incorporated another company, Lee Hok Kee Pte Ltd (LHK), with shares in the names of his sons and grandsons.

He then transferred the shares in Lee Brothers to LHK, increasing the paid-up capital in the new company from \$300 to \$3.05 million within three months. He also started a company called Lee Investments, with shares held by his male descendants.

"The (shares and properties) were controlled and managed by Wee Nam," Justice Chao said.

Among these were substantial holdings in Overseas-Chinese Banking Corporation, Overseas Union Bank, United Overseas Bank, Four Seas Bank and four insurance companies.

Justice Chao also found in his 49-page judgment that Wee Nam did not give an account of Wee Kheng's assets to the executors of his estate. Nor did the executors of Wee Nam's estate, until proceedings were filed, said the judge.

He said: "I find that both Wee Nam and his personal representatives had committed breaches of trust. The law is clear. A person occupying a position of trust must not make a profit which he can acquire only by the use of his fiduciary position, and if he does, he must account for it."

"On the death of Kheng in July 1962, it was the duty of Wee Nam to wind up the partnership in the Kongsi and to account to the Kheng estate and distribute the net assets.

"On the evidence before me, it is clear that no serious efforts were made towards that end."

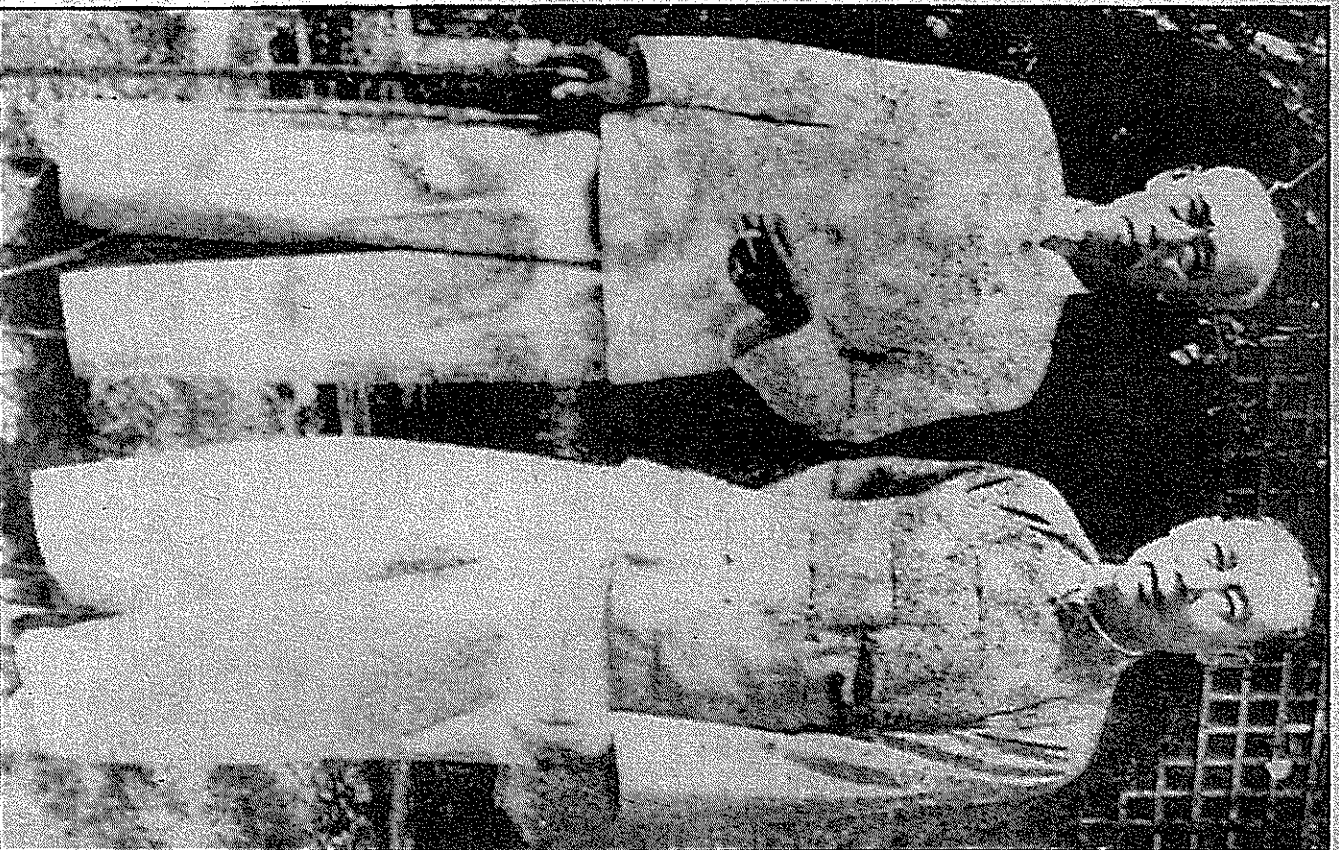
He also gave several instances of breach of trust committed by both Wee Nam and his sons. Justice Chao then made various orders and declarations:

■ That Wee Nam had committed breach of trust after his brother's death.

■ That the Wee Kee Kongsi had dissolved on Wee Kheng's death 30 years ago, and that the partnership be wound up by the court.

■ That the shares in dispute which were registered in Wee Nam's name, belonged not to him alone, but was beneficially owned by himself and his brother.

■ That two of Wee Nam's sons be personally liable to make good and restore to the Kongsi various dividends, bonus and rights issues relating to the shareholdings.



Wee Kheng (left) and Wee Nam, in a picture taken at their family home in Bangkok in the 1950s. The house has since been sold.