



COMMISSION OF INQUIRY INTO ASPECTS

OF THE

FOREST INDUSTRY

INTERIM REPORT No. 2

**THE GADAI SU TIMBER PERMIT - ANGUS
(PNG) PTY LIMITED**

PART TWO

January, 1988

COMMISSION OF INQUIRY INTO ASPECTS
OF THE
FOREST INDUSTRY

INTERIM REPORT NO.2

THE GADAIKU TIMBER PERMIT - ANGUS (PNG) PTY LIMITED

PART TWO

January, 1988

FOREWARD

This Interim Report is divided into two parts.

PART 1. This Part sets out in simple narrative form the history of the Angus group of companies' involvement in the Papua New Guinea timber industry; particularly in the Gadaisu permit area of Central Province. It also sets out findings of fact relevant to the Commission's Terms of Reference.

An attempt has been made to keep the narrative free from technical and legal jargon and not to clutter it with the documentation which supports the findings. This documentation is set out in appendices however, and there are frequent references throughout the text to these numbered Appendices.

Part 1 includes also a list of matters which I have recommended should be referred to the Commissioner of Police and to other authorities for follow-up action.

PART 2. The Appendices are all set out in Part 2 as a separate volume of this Interim Report. Most of the appendices consist of photocopies of some of the key documents which were tendered during the Commission's hearings. Some appendices however continue, and form an important part of, the Part 1 narrative and have their own schedule of supporting documents. I have adopted this

approach where the subject matter is a side issue which only merits a passing mention in the main text (such as liquor smuggling) or where the full expansion of the subject matter in the main text required the introduction of technical jargon (such as Transfer Pricing).

The following appendices are of this nature and require careful study by those interested in reading the continuation of the narrative which on these topics has merely been introduced in Part 1.

Appendix 8 - "Manipulation of Shareholdings and Directorships in Angus' PNG Subsidiaries"

The manipulations referred to were complex and require a study of lawyers' instruction sheets and various company documents. These are set out as a schedule to the Appendix.

Appendix 35 - "Angus PNG's Transfer Pricing Schemes"

To adequately describe the way the Angus principals set about constructing and implementing their schemes for transfer pricing on various log shipments required reference to the relevant letters of credit, inter-company correspondence and financial calculations. It is a story in itself. After a general introduction in Part 1, the full detailed story of transfer pricing is told in Appendix 35 with key documents attached as a Schedule.

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Appendix 39 - "Allocation of Kupiano Permit TP3-4 to Goodwood Pty Ltd - Some Key Dates"

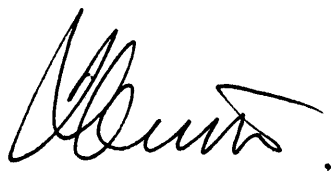
Although this Interim Report concerns inquiries into Angus some disturbing evidence was given in the closing stages of the Angus inquiry concerning the Allocation of a Permit to Goodwood over the Kupiano permit area. As this involved two key figures in the Angus investigation, Messrs E R Diro and O Mamalai, and as it occurred contemporaneously, and also involved the Gadaisu permit area, it was given a brief mention in the text of Part 1. Appendix 39 elaborates that text by setting out key dates. The supporting documentation is not appended as I hope to make the allocation of the permit to Kupiano/Goodwood Pty Ltd the subject of a separate report.

Appendix 50 - "Apparant Liquor Smuggling"

The way duty free liquor was smuggled into Papua New Guinea on the Angus log ships is tenuously connected to the Commission's Terms of Reference as an improper benefit which has been obtained by those involved in the timber industry. It receives a brief, passing mention in the text of Part 1. As there is evidence that this practice also exists in some other operations I have included a full description of the evidence uncovered in this Inquiry and a Schedule of supporting documents.

Appendix 51 - "The Jaguar Vehicle"

The complicated story and documentary evidence involved in the importation and use of this Jaguar motor car has been elaborated upon in this appendix so as to avoid cluttering up the narrative in Part 1.

A handwritten signature in cursive script, appearing to read 'T. E. Barnett', followed by a period.

.....
T E BARNETT,
COMMISSIONER.

PART 2

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*Recd by***BRIGADIER GENERAL E.R. DIRO C.B.E. O.S.J. MP****P. O. Box 6969****Boroko****Papua New Guinea**

Phone: 257716

20th December, 1984.

Mr. Oscar Mamalai,
Director,
Office of Forests,
P.O. Box 5055,
BOROKO.

Dear Oscar,

I refer to our meeting with the delegation from Magarida on 19th December, 1984 concerning the commencement of logging operations there and issue of licences for export.

I am heartened by your sincere desire to get the project going as soon as possible and your commitment to ensure that the interest of the people remains paramount at all times.

During our discussion, a number of agreements were reached and for the benefit of all concerned, I wish to re-state these as follows:-

a. that the Letter of Intent by the Minister dated 12th July, 1984 remains valid and that it should provide a basis for subsequent administrative actions necessary for the project lodgement.

b. that Office of Forests will issue a Timber Permit to wholly nationally owned company which will have the sole responsibility to choose a management company.

c. to ensure that the interests of the people are safeguarded, as many timber management firms as possible should be invited to tender.

d. as a starting point, office of Forests is to produce draft guidelines for consideration by Magi Wopten within two weeks.

e. all liaison on the subject is to be effected through the office of the Member for Central to ensure effective dialogue and co-ordination of the project.

f. Magi Wopten Development corporation represents the authentic voice of the people and that any interference from others will not in any way delay the project implementation.

As you can appreciate the project has dragged on or over a long period. I am therefore keen to see it go off as soon as possible. Any assistance you can give would be greatly appreciated.

Yours sincerely,



E.R. DIRO
Member for Central

TELEPHONE 212715
212833TELETYPE UNIT, SERAH
KUMUDOH

Date 25th July, 1984

Our Reference:

Action Officer:

Designation:

Your Reference

Date:

Hon: LUCAS WAKA M P.,
Minister for Forests,
P.O. Box 5055,
HOHOLA.

National Capital District.

My Dear Minister,

SUBJECT: MAGI WOPTEN DEVELOPMENT PTY LTD.

I am writing this brief note to your good office, with particular reference to the long standing application and numerous correspondence by the above described National Company, for the issuance of an interim permit or an Operating Authority, to immediately commence operations, pending the Formal Agreement to be made with a Management Contract Company.

My Government has already rendered its full support. Via a Resolution passed by the Provincial Executive Council, which was duly endorsed by the Full Assembly in its recent session. We are therefore, anxious to see how the National Government would be handling this matter, not withstanding the fact that the Forests is still a National Government function.

Sir, I am merely indicating concurrence with the Resolution of the Central P.E.C. and my personal support for a quick decision by your good office.

I am anxiously waiting for your decision before we can examine other options available to the group, so that they can get to doing something rather than patiently waiting in vain.

Yours Sincerely,

ABAU GABINA

PROVINCIAL MINISTER FOR FOREST.

6 month

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with 6 month

SEP 27 1984 1404

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PRIMIN NE22388

STAND BY FOR CONFERENCE CALL

HEBOU NE22274

20.9.84

DIRECTOR OF FORESTS

ATTN OSCAR MAMALAI

RE: TIMBER PERMIT FOR MAGI WOPTEN DEVELOPMENT CORPORATION

WE HAVE BEEN APPOINTED BY MAGI WOPTEN DEVELOPMENT CORPORATION AS THE LOGGING SUB-CONTRACTOR FOR THEIR TIMBER PERMIT TO BE ISSUED ON THE BONUA-GADAISU AREA (.) AMAZON BAY SAWMILLING AND TIMBER CO PTY LTD IS PRESENTLY 75% OWNED BY THE LANDOWNERS OF MAGARIDA/AMAZON BAY AREA AND 25% OWNED BY NORTHERN DISTRICT SAWMILLING AND HAS LOGGING EXPERIENCE IN THAT REGION (.) DUE TO HEAVY FINANCIAL PRESSURES EXERTED BY NO. 1 FINANCE, P.N.G.B.C. AND HASTINGS DEERING COVERING REPOSSESSION OF OUR EQUIPMENT IN MAGARIDA, WE REQUEST YOUR URGENT ACTION TO GRANT MAGI WOPTEN DEVELOPMENT CORPORATION A TEMPORARY TIMBER PERMIT SO THAT WE CAN COMMENCE LOGGING OPERATIONS IMMEDIATELY (.) THE RESULTANT EFFECTS WILL BE IMMEDIATE EMPLOYMENT OF 80 PERSONNEL IN MAGARIDA/AMAZON BAY AREA AND AVERTION OF FINANCIAL COLLAPSE OF OUR COMPANY AND ASSOCIATE COMPANIES WHICH PRESENTLY EMPLOYS A TOTAL OF APPROXIMATELY 500 PERSONNEL (.)

YOUR URGENT ACTION ON THE ABOVE MATTER IS GREATLY APPRECIATED

THANKS AND REGARDS

G CONSTANTINOU

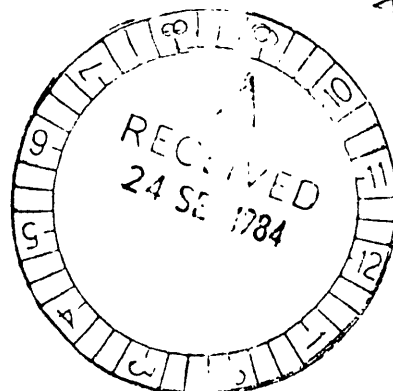
AMAZON BAY SAWMILLING AND TIMBER PTY LTD

CC: SECRETARY TO THE PRIME MINISTER

ATTN MR ANDREW YAUIEB

FOREST NE223600

PRIMIN NE223880000



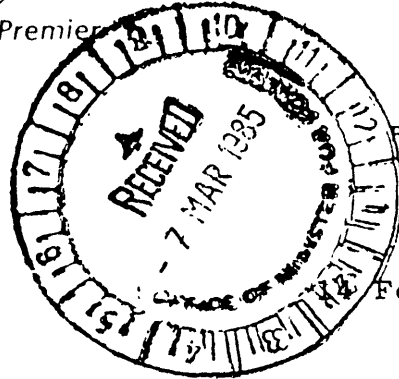


Central Provincial Government

Office of the Premier

345-15-1
(14)
44

TELEGRAMS: CENPROV NE 22154
TELEPHONE: 21 2715
21 2833

FREE MAIL BAG SERVICE
KONEDC

February 1985

Hon. Lucas Waka MP
Minister for Forest
P O Box 5055
BOROKO

TIMBER RIGHT PERMIT TO MAGI WOPTON

My dear Minister

*Please see also files 350-10-18
151-3-17*

It was the unanimous agreement of the people that attended the meeting of the above at Magarida (25/1/85) that the TRP be granted to Magi Wopton without any reservations. In fact at the meeting the differing factions shook hands and decided to support one only local company, Magi Wopton.

The Secretary for Forest, Mr. Oscar Mamalai and the expatriate officer accompanied him witnessed the final agreement. To this effect it would be grossly unfair to delay procedures any further.

The Chairman of the Board of Directors announced, at the meeting, that both the Department of Forest and the Department of Central Province will be fully involved in all matters relating to every stage development of timber resources at Magarida.

You will note that Magarida is one of the most undeveloped areas in Central Province, and perhaps in the nation. In this respect any further delays will most probably annoy the people and may put an end to any future economic activity in the area.

My Government is now carrying out feasibility study over possible greater utilization of Mamai and Baibara Plantations just behind the timber resources for greater economic development. With the timber resources to act as a catalyst, the nation could witness what could be a tremendous economic viability of the area.

.../2.

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- 2 -

In line with the National Government policy of creating more jobs for the nations educated unemployed, both the timber resources and the revitalization of the two plantations would create more jobs for the unemployed youth in the area who have been setting their sights on Port Moresby and other bright city lights urban centres.

I do trust that you will consider granting Timber Permit without any reservations to Magi Wopton. Incidentally Magi Wopton is the name that is an union of both the coastal and inland people of Amazon Bay.

Yours sincerely,

After
interview
to be
executed
issue to
after the
see
Shant


KONE O. VANUAWARU
Premier

- CC: Hon. Jack Genia
Minister for Works & Supply
- CC: Hon. Lioro Lapila
Provincial Member for Amazon
- CC: Secretary for Forest
- CC: Mr. Ini
Chairman
Magi Wopton.

1057/85

APPENDIX 05

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NGPAPER NE22257
07877 SEP 24 1985 1147
GOOD MORNING

GA

7121332+

SJS AA21332
NGPAPER NE222570
SJS AA21332

ATTENTION: GREG GOLDINGS.

FROM: PAUL NERAU,
BOUGAINVILLE DEVELOPMENT CORPORATION PTY.LTD
P.O. BOX 1122, ARAWA.
NORTH SOLOMONS PROVINCE / PAPUA NEW GUINEA

RE: JOINT VENTURE DOCUMENTS

REFERENCE TO OUR TELEPHONE DISCUSSIONS OF YESTERDAY PLEASE BE
ADVISED THAT A JOINT VENTURE IS BEING ENTERED INTO BETWEEN THE
FOLLOWING PARTIES:-

EQUITY

MOIC INVESTMENT PTY.LTD
50 RAFFLES PLACE
12-05 SHELL TOWER
SINGAPORE 0104.

51%

BOUGAINVILLE DEVELOPMENT CORPORATION LTD
P.O. BOX 1122
ARAWA, NORTH SOLOMONS PROVINCE
PAPUA NEW GUINEA

20%

APPENDIX 05
ROAD MINING AND TAILINGS LEASE TRUSTS LTD
P.O. BOX 1047
ARAWA, NORTH SOLOMONS PROVINCE
PAPUA NEW GUINEA

15%

INDEC PTY. LTD
P.O. BOX 2755
BOROKO, NATIONAL CAPITAL DISTRICT
PAPUA NEW GUINEA

14%

PURPOSES:

TO JOINTLY TENDER FOR THE BOUGAINVILLE COPPER LIMITED OIL ,
DISTILLATE AND AVGAS REQUIREMENT FOR 1986 AND ANY OTHER TENDERS
THAT MAY BE CAPABLY PUT TOGETHER BY THE JOINT VENTURE DURING THE
EXISTENCE OF THIS JOINT VENTURE.

- MOIC:
- (1) UNDERTAKES TO PUT TOGETHER THE DOCUMENTATION FOR
THE TENDER WITH ALL THEIR TECHNICAL AND OTHER
EXPERTISE THAT MAY BE REQUIRED TO FULFIL THE CONDITIONS
OF THE TENDER AND GENERALLY ALL OR ANY SPECIALIST
INPUT TO THE TENDER.
 - (2) MOIC TO PROVIDE COMPETANT MANAGEMENT.
 - (3) THE JOINT VENTURE IS INITIALLY ESTABLISHED FOR THE
OIL TENDER BEING SUBMITTED TO BOUGAINVILLE COPPER LTD.
 - (4) MANAGEMENT COMMITTEE IS THE OVERALL AUTHORITY FOR
THE JOINT VENTURE.

BDC/RMTL/INDEC - MUTUALLY COVENANT TO ASSIST MOIC IN ENSURING THAT
THE TENDER FOR THE BCL OIL IS GIVEN AS MUCH
ASSISTANCE AND AT THE SAME TIME TO PROVIDE LOCAL
INFRASTRUCTURE SUPPORT BOTH IN PORT MORESBY AND
BOUGAINVILLE SHOULD THE TENDER BE WON.

PLEASE FAX TO ME DRAFT TODAY.

REGARDS,
PAUL E. NERAU.

NGPAPER NE222570
SJS AA213320
SJS AA21332
0000000000

TIME 008.0 MINS

TO:

W/01

Date 8 October 1985

MINUTE

File No. 151-3-17

SUBJECT

MAGI WOPTEN DEVELOPMENT PTY LTD

I have reviewed the following documents:-

- (1) Deed of Release, dated 21/6/85, between Magi Wopten and Amazon Bay Sawmilling and Timber Pty Ltd.
- (2) Development Proposal for the Bonua-Magarida-Gadaisu Timber Area, submitted by Magi Wopten and MOIC Investment Pte Ltd.
- (3) Agreement dated 1/8/85, between Magi Wopten and MOIC.

DEED OF RELEASE

The Deed purports to release Magi Wopten and Amazon Bay from any obligations under their earlier Agreement.

- (1) The original Agreement between Magi Wopten and Amazon Bay should be requested; also the Plan referred to in Recital C of the Deed.
- (2) The Deed should be submitted, along with the additional documents mentioned above, to the State Solicitor for comment.

DEVELOPMENT PROPOSAL

The Proposal outlines plans for development of the Upper Bonua River/Mayri Bay/Origuina River block (including the Gadaisu TRP area within Central Province). The Proposal envisages a project of 13 years life, with an annual harvest of 120,000m³, 50% of this harvest being sawn within a mill to be established by Magi Wopten/MOIC. There is vague comment (in large part a transcript of the Wewak/Angoram proposal) on agricultural development, with the extent of areas for development being not yet determined, and plans being dependent on various studies yet to be conducted.

The Proposal is an unacceptable basis for project development:-

- (1) The Proposal does not conform to the 'Content and Format Specifications'. Particularly conspicuous is the absence of any financial analysis.
- (2) The Proposal does not conform to the 1979 White Paper on National Forest Policy, particularly with respect to the absence of any firm commitment on follow-up land use.

(73)

- (3) The Proposal omits development plans for the Amazon Bay - Bonua River Block. Given the intention to allocate the Gadaisu TRP area to Ulabo, any development proposal should encompass the whole Bonua-Magarida TRP area.
- (4) I have not checked the Proposal's forest resource assumption in detail, but my first impression is that the assumptions are reasonable (this should be confirmed).
- (5) I would query the proposal to undertake logging without use of any skidders. Also, 3 log trucks and two loaders seem inadequate to handle log production of 120,000m³ per year, but this would require further evaluation.
- (6) The attachment to indicate bridge designs and locations was in fact not attached.
- (7) Though it is proposed to establish a sawmill of 60,000m³ log input annual capacity, no design has been submitted for consideration.
- (8) It is unclear how much capital Magi Wopten would have to raise in order to invest in the project. There are no financial projections to indicate if the project is viable.
- (9) There are no firm reforestation or follow-up land use proposals, only generalised statements of intent, which are worthless.
- (10) The Proposal assumes a seven year life for all items of logging and roading equipment. Though perhaps valid for tractors, it is unrealistic for trucks.

JOINT VENTURE AGREEMENT

The Agreement purports to provide a basis for establishment of two joint-venture companies by MOIC and Magi Wopten, one to process and export timber and rattan, the other to undertake agricultural development.

The Agreement should be submitted to the State Solicitor for further comment, but in any case it is clear that the Agreement is unacceptable:-

- (1) Magi Wopten's registered office cannot be a Post Office Box, as stated in the Agreement.

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- (2) The two joint-venture companies are un-named, and are referred to only as Company 'A' and 'B'. I would prefer that direct reference be made to the companies, under names registered in Papua New Guinea.
- (3) The Agreement purports to 'assign' rights and privileges granted to Magi Wopten under Timber Permit 3-17 and any subsequent Permit. There is no legal provision in the Forestry Act for assignment.
- (4) The Agreement does not impose any obligation on the joint venture companies to establish and operate the sawmill referred to in the Development Proposal.
- (5) Rattan may be an excluded species under the TRP Agreement as currently drafted (the TRP Agreement is not yet finalised, and therefore precludes the issue of any further Permit).
- (6) The Agreement does not specify the level of paid up equity in either joint venture company. It is not clear if Magi Wopten would have sufficient resources to take up its equity shares.
- (7) There is an obligation on Magi Wopten to provide suitable sites for processing facilities. Magi Wopten is not in a position to accept such an obligation.
- (8) The Agreement's statements on road and bridge construction are inadequate, and do not give the State adequate control of the alignment, design standard, and maintenance of the Magi Highway.
- (9) Fees and remunerations due to MOIC as Manager of the Agriculture Development joint venture company are not specified. The Agreement does not constitute an acceptable management agreement between MOIC and this joint venture company.
- (10) The arrangements for settlement of disputes are unacceptable. Disputes should be settled in accordance with PNG legislation, particularly the Arbitration Act.
- (11) The Agreement should not be subject to consent by any Singapore authorities.

(71)

RECOMMENDATIONS

- (1) No further Timber Permit should be issued until a TRP Agreement for Bonua-Magarida is finalised.
- (2) Both the Deed of Release (with missing attachment and the earlier Amazon Bay Agreement) and the Joint Venture Agreement should be submitted to the State Solicitor for comment.
- (3) Magi Wopten should be advised that the Development Proposal and the Joint Venture Agreement are unacceptable to Department of Forests.
- (4) As Magi Wopten is proposing that a Foreign enterprise develop the timber resources, the State should prepare Project Guidelines, and invite Development Proposals consistent with the Guidelines for MOIC/Magi Wopten, and other experienced companies. Any Proposal should conform to the 'Content and Format Specifications'.



E. BATES
E3

eb/co



PAPUA NEW GUINEA

NATIONAL PARLIAMENT

 PARLIAMENT HOUSE
 WAIGANI
 TEL 277377 TELEX. NE 22374

14th October 1985

 Hon. L. Waka, MP
 Ministe for Forests
 Ministry of Forests
 P O BOX 5055
 BOROKO

My dear Minister,

GADAIKU TIMBER RIGHTS PURCHASE - CENTRAL PROVINCE

After receiving advice that Gadaisu Timber Rights Purchase was to be given to Ulabo Timbers, I held a number of meetings with the Government of Central Province, Directors of Magi Wopten Pty Ltd, selected church and the village leaders to discuss the issue.

All the parties above totally reject encroachment by Ulabo Timbers into Central Province. Negotiations between Magi Wopten and MOIC Pty Ltd for a joint venture operation to develop an Agro-forest based industry was concluded some months ago. If Gadaisu is to be given to Ulabo Timbers, this would jeopardise commercial viability of the Magi Wopten-MOIC Joint Venture Project.

It is most distressing that after all hurdles befronting Bonua-Gadaisu Magarida projects are nearing solution, Ulabo Timbers puts up yet another obstacle. People are frustrated, they have had enough.

I, as representative of the people, am under instructions to convey to you, in the strongest terms possible, to cease forthwith any further dealings with Ulabo Timbers whose performance in Milne Bay Province does not give us any hope of tangible development for the people.

Any unilateral decision taken by your office which is contrary to the people's wishes cannot be deemed to be authentic in a democratic country like ours and, therefore, will be disregarded.

Personally, I am grateful for your attempts to consult with the people before granting approval. As a result, people's views have now been gauged.

In the interest of harmony, I seriously recommend that you reject the application by Ulabo Timbers. They should restrict their operations to Milne Bay Province only.

APPENDIX 8

(This appendix includes its own schedule of documents).

MANIPULATION OF SHAREHOLDINGS AND DIRECTORSHIP IN ANGUS' PNG SUBSIDIARIES

1. After purchase and handover of the three Angus subsidiary companies on the 19 September 1985, as shown in the Minutes and Statutory Returns then filed in the Companies Office the position was as follows:

Angus (PNG) Pty Ltd

<i>Directors:</i>	John Kasaipwalova and Gerard Kassman	
<i>Secretary:</i>	Nichole Kirkemo	
<i>Shares:</i>	John Kasaipwalova	1
	Gerard Kassman	1

In the case of Angus (PNG) Pty Ltd G Kassman held office as a Director under the protection of a deed of indemnity from Tamworth No.35 Pty Ltd as shareholder.
(Sch. 01)

Angus Joint Venture Pty Ltd

<i>Directors:</i>	J Kasaipwalova and G Kassman	
<i>Secretary:</i>	Nichole Kirkemo	
<i>Shares:</i>	J Kasaipwalova	1
	G Kassman	1

Marine Resources Pty Ltd

Directors: J Kasaipwalova and
E R Diro

Secretary: J Kasaipwalova

Shares: Tamworth 35 1
G Kassman 1

Gerard Kassman, then a lawyer, employed by Gadens, was doing the legal work for these companies and it is clear from the instructions recorded in Gadens files, and from subsequent admissions by him to the Commission, that he held his one share in each company in trust for Tamworth 35 (and see *Sch.01* signed copy of trust deed between Kassman and Tamworth No 35 Pty Ltd.)

2. Acting on instructions from Mr Kasaipwalova (as noted in Kassman's file *Sch.02*) F C Cheah was brought in as a shareholder and Managing Director and J Kasaipwalova became Secretary in all three companies. The Minutes of a Directors Meeting dated 1 November 1985, the Consents and the Statutory Returns for the three companies were prepared and as exhibited to the Commission. E R Diro became Chairman of each of the three companies. The documents relating to Angus (PNG) Pty Ltd are attached as *Sch.03*. The legal position as at 1 November 1985 therefore was as follows:

Angus (PNG) Pty Ltd

Directors: J Kasaipwalova,
G Kassman, E R Diro &
F C Cheah

Chairman: E R Diro

Managing Director: F C Cheah

Secretary: J Kasaipwalova

Shares:

J Kasaipwalova 1
G Kassman (in trust for Tamworth) 1
F C Cheah 1
Tamworth 35 1

Angus Joint Venture Pty Ltd

Directors: J Kasaipwalova, G Kassman,
E R Diro and F C Cheah

Chairman: E R Diro

Managing Director: F C Cheah

Shares:

J Kasaipwalova	1
G Kassman (in trust for Tamworth 35)	1
Tamworth 35	1
F C Cheah	<u>1</u>
	<u>4</u>

Marine Resources Pty Ltd

Directors: J Kasaipwalova,
E R Diro & F C Cheah

Chairman: E R Diro

Managing Director: F C Cheah

Secretary: J Kasaipwalova

Shares:

J Kasaipwalova	3
Tamworth 35	2
G Kassman (in trust for Tamworth 35)	1
F C Cheah	1
Victor Lee	<u>1</u>
	<u>8</u>

On the face of the documents the ratio of national to foreign ownership in each company showed at 75/25 percent. Great care was taken to maintain this ratio as can be seen from Kassman's instruction sheet at Sch.02.

Although these documents were prepared, signed and sent to Kasaipwalova they were never lodged at the Companies Office. This was because the government changed and Mr Diro became Minister for Forests on 27 November 1985. The documents were therefore put to one side as though they did not exist, except that it appears Mr Diro signed a formal resignation from his position as Chairman on 29 November 1985 and he was replaced on or about 1 December by Sir Tore Lokoloko.

3. When the Angus (PNG) Pty Ltd proposal for the Gadaisu Permit was lodged on 13 January 1986 however it showed the shareholders as:

Angus Investments Pte Ltd	20%
F C Cheah	5%
J Kasaipwalova	40%
Anthony Diro	35%

When Mr McNeill from the Department of Forests rang Gadens to check the shareholding Kassman hurriedly prepared all the documents, including the consents for Sir Tore and F C Cheah to be Directors. These and all other documents including false replacement Minutes of the 1 November 1985 General Meeting are dated the 1 November 1985, falsely implying that since that date Sir Tore had always been Chairman and that the full allowable share capital of 10,000 shares had been issued and allocated in the proportions as shown above.

This second (false) version of 1 November 1985 Minutes was found in Kassman's files but the name Anthony Diro had been subsequently crossed out when this document was used as a draft for the typing of a third version (Sch. 04) (and see Sch.05 Allotment of Shares showing Anthony Diro's shares with a par value of K3,499.)

The company documents prepared in January 1986, on their face therefore, showed the position for Angus (PNG) Pty Ltd to be as follows:

Angus (PNG) Pty Ltd

<i>Directors:</i>	J Kasaipwalova, G Kassman, Sir Tore Lokoloko & F C Cheah
<i>Chairman:</i>	Sir Tore Lokoloko
<i>Managing Director:</i>	F C Cheah

Shares:

Angus Investment Pte Ltd	20%
Anthony Diro	35%
F C Cheah	5%
J Kasaipwalova	40%

The true situation however was shown on Kassman's instruction sheet (Sch.06). The whole of the 10,000 issued capital was to be used and:

- (a) Angus Investments was to be shown owning 2000 20%
- (b) Anthony Diro to be shown owning 3500 35%
(and the Tamworth 35 shares to be transferred to him)
- (c) J Kasaipwalova to be shown owning 4000 40%
(but with a deed of trust to hold 400 shares (4 %) in trust for F C Cheah & 3100 shares (31%) in trust for Angus Inv.)
- (d) F C Cheah is to be shown owning 500 5%

The beneficial ownership was therefore intended in January 1986 to be:

Angus Investment Pte Ltd	51%
Anthony Diro	35%
F C Cheah	9%
J Kasaipwalova	5%

4. Although they were prepared these documents also were not filed at the Companies Office. The reason was that Jack Benja, M.P. asked very embarrassing questions in Parliament on 14 March 1986 including questions about the ownership of Angus shares which caused concern about Anthony Diro's apparent 35% share of Angus.

On 25 March Kasaipwalova instructed Anthony's name to be deleted from the list and a false version of the 1 November meeting and supporting documents were drawn up as Cassman's false record dated 1 November. Minutes of 10th Return of the meeting of Shares.

These documents were filed at the Companies Office (Sch.10) and this third (false) version of the Directors Minutes was placed in the official Board Minutes file of Angus (PNG).

As a result of these steps the legal ownership of Angus (PNG) Pty Ltd is shown to be -

Angus Investments Pte Ltd	20%
F C Cheah	5%
J Kasaipwalova	75%

The beneficial ownership seems clearly to be:

Angus Investments Pte Ltd	51%
(held as to 20% directly and as to 31% by John Kasaipwalova)	
F C Cheah	9%
(held as to 5% directly and as to 4% by John Kasaipwalova)	
J Kasaipwalova	5%
E R Diro	35%
(held by John Kasaipwalova)	

In August 1986 the 31% of shares held in trust by John Kasaipwalova for Angus Investments was transferred to Sir Fore Lokoloko who then held those shares in Trust for Angus Investments.

This remained the position until early December 1986 and is the position:-

- (a) foreshadowed in the Travelodge document (Appendix 26).
- (b) upon which the ambitious transfer pricing scheme profits were to be broken up by the use of the Jersey company Valouse (See Appendix 35 and in particular Sch.45 to that Appendix).



THIS TRUST DEED made the date specified in Item 1 of the Schedule.

PARTIES:

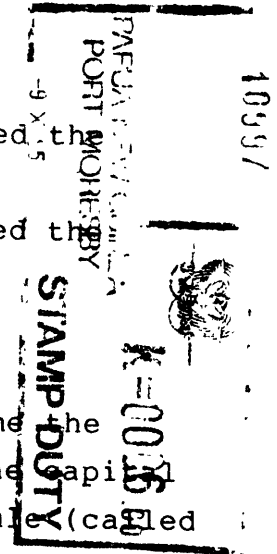
1. The party named in Item 2 of the Schedule (called the "Trustee").
2. The party named in Item 3 of the Schedule (called the "Beneficiary").

RECITES:

- A. The Trustee has recently acquired in his own name the shares described in Item 4 of the Schedule in the capital of the Company described in Item 5 of the Schedule (called "the said shares").
- B. The consideration for the said shares was provided by the beneficiary and the said shares were acquired by the Trustee as nominee of the beneficiary and it has been agreed that the Trustee should execute such Declaration of Trust as is hereinafter contained.

NOW THIS DEED WITNESSES as follows:-

1. The Trustee hereby declares that he holds the said shares and all dividends and interest accrued or to accrue upon the same or any of them UPON TRUST for the beneficiary its successors or assigns and agrees to transfer pay and deal with the said shares and the dividends and interest payable in respect of the same in such manner as it or they shall from time to time direct.
2. The Trustee will at the request of the beneficiary or its successors or assigns vote at all meetings of stockholders, shareholders or otherwise which as registered proprietor of the said shares he may attend in such manner as the beneficiary its successors or assigns shall have previously directed in writing and in default of and subject to any such direction at the discretion of the Trustee and further will if so required by the beneficiary its successors or assigns execute all proxies



or other documents which shall be necessary or proper to enable the beneficiary or its successors or assigns or their nominees to vote at any such meeting in the place of any such Trustee.

3. The beneficiary will at all times hereafter indemnify and keep indemnified the Trustee his personal representatives estate and effects against all liabilities which the Trustee or they may incur by reason of the said shares being so registered in the name of the Trustee as aforesaid and in particular will punctually pay calls and other demands which the Trustee or his personal representatives may be or become liable to pay in respect of any of the said shares or in respect of any shares or securities for which pursuant to any conditional or preferential right offered to the Trustee may in his discretion subject as hereinafter mentioned think fit to subscribe and all costs and expenses incurred by the Trustee in the execution of the trusts of this Deed.
4. If any conditional or preferential right to subscribe for shares or securities in any company or any other option shall be offered to the Trustee as holder of the said shares or any of them or otherwise in respect thereof or any call be made upon any of the said shares or other payment demanded in respect thereof the Trustee shall so soon as conveniently may be given notice of such offer call or demand to the beneficiary by letter sent through the post to the address last known to the Trustee and if not less than one week before the expiration of the time allowed for the exercise of such option or making such payment the Trustee shall receive any direction in writing from the beneficiary and the beneficiary shall pay or provide for any money required to be paid to comply with such direction the Trustee shall act on such direction but if no such direction shall be received or the money

required to be provided for such action shall not be received or sufficient money to the satisfaction of the Trustee shall not be received before the time aforesaid the Trustee shall act on his discretion in the matter and such action shall be binding on the beneficiary.

5. If the Trustee shall pay any money for calls or other demands in respect of the said shares or in respect of any shares or securities so offered to any subscribed for by the Trustee as aforesaid such money shall be and remain a charge in favour of the Trustee upon the said shares.
6. The Trustee shall hold all and any shares or securities so offered to the Trustee in respect of the said shares as aforesaid and subscribed for by him upon the trusts and subject to the powers and provisions hereby declared concerning the said shares as if the same were an accretion thereto.
7. The power to appoint a new Trustee hereof is vested in the beneficiary.
8. That whatever appearing herein the expression "the Trustee" shall mean and include the Trustee its successors and assigns, the expression "the beneficiary" shall mean and include the beneficiary its successors and assigns. Words importing the singular number only shall where the subject or context so admits or requires include the plural number and vice versa, words importing the masculine gender only shall where the subject or context so admits or requires include the feminine gender and vice versa, words importing persons shall include corporations and companies mutatis mutandis and vice versa. In the construction of a covenant proviso or provision contained or implied herein in which more persons than one covenant agree or appoint and shall deem to covenant or appoint

such covenant proviso or provision shall be deemed to apply and extend to such persons and any two or greater number of them jointly and each of them severally.

SCHEDULE

Item 1: Date of Deed: 19 September 1985

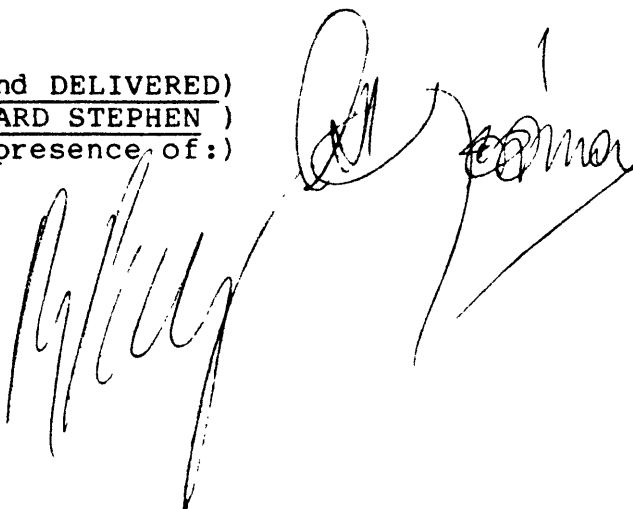
Item 2: Trustee: GERARD STEPHEN KASSMAN
P O Box 1042, Port Moresby.

Item 3: Beneficiary: TAMWORTH NO. 35 PTY LIMITED
P O Box 322, Port Moresby.

Item 4: Shares: 1 Ordinary Share

Item 5: Company: BOOMI NO. 93 PTY LIMITED

SIGNED SEALED and DELIVERED)
by the said GERARD STEPHEN)
KASSMAN in the presence of:)

Two handwritten signatures are present. The one on the left is a large, stylized signature, likely of Gerard Stephen Kassman. The one on the right is a smaller, more cursive signature, likely of a witness or another party present at the signing.

A928

PTY
ANGUS (PNG) LTD.

minutes

1 share to Cheah

CHEAH FOONG CHIN — appted as Director

— ~~Managing~~ ^{as well} ~~Executive~~ Director

T. DIRO as a Director & chairman of Board.

J. K — Secretary as well.

— issue of share certificates

75/25

Another share to TAMWORTH 35 P/L.

Accepting NK resignation

Banks — ~~either~~ Indosuez
 Westpac
 PNGBC.

authorising Secretary
 Company to purchase
 books of Accounts.

Common Seal

ANGUS J. V.

J. K secretary

NK resignation

1 share to Cheah

Cheah appted a Direct

ed to be appted Chairman

1 share to Tamworth No. 85 P/L.

Adoption of Common Seal

Purchase of books of Accounts

EX 170

2(a)

A929

Broom 95 P/L (WAIGANI)

Ted. to be M/D and Chairman of Board.

[name as ANGUS.]

1 share to FC.

Another ~~share~~ share each to TD and Sir Barry.

JK Secretary.

Marine Resources P/L.

existing share - Tamworth E.G.K.

FC to be a Director & M/Director
VICTOR LEE KWONG PIN

1 share to Lee

3 shares to Tamworth
3 share to JK.

EX 120

J(b)

Ted to be chairman

JK appted a secretary.

A899

MINUTES OF A MEETING OF DIRECTORS OF ANGUS (PNG) PTY LIMITED

DATE:

1 November 1985

LOCATION:

GADENS
8th Floor Invesmen Haus
Douglas Street
PORT MORESBY

EX 119

5.

TIME:

PRESENT:

Mr J Kasaipwalova and Mr G S Kassman

CHAIRMAN:

Mr Kasaipwalova was appointed Chairman of the Meeting.

APPOINTMENT OF
DIRECTOR:

IT WAS RESOLVED that Edward Diro and Poong Chin Cheah be appointed a Directors of the Company their consents to so act being presented at the meeting.

CHAIRMAN OF
THE BOARD:

IT WAS RESOLVED that in accordance with Article 83 of the Articles of Association of the Company that Edward Diro be appointed Chairman of the Company to be effective from the termination of this meeting.

MANAGING DIRECTOR:

IT WAS RESOLVED that in accordance with Article 89 of the Articles of Association of the Company that Poong Chin Cheah be appointed as Managing Director of the Company to be effective from the termination of this meeting.

ALLOTMENT OF
SHARES:

The Chairman tabled application for the following shares of K1.00 each from the following persons together with the application monies:-

Poong Chin Cheah	-	1 Share
Tamworth No. 35 Pty Ltd	-	1 Share

IT WAS RESOLVED that the applications be accepted and that the shares be allotted and the persons be entered into the Register of the Members of the Company in respect of the shares so allotted.

APPOINTMENT OF
SECRETARY:

IT WAS RESOLVED that John Kasaipwalova be appointed as Secretary of the Company his consent to so act being presented at the meeting.

RESIGNATION OF
SECRETARY:

Nichole Kirkemo tabled his resignation as a Secretary of the Company and it was resolved to accept such resignation with effect from the termination of this meeting.

SCHEDULE 03

A850

OPERATION OF
BANK ACCOUNT:

The Directors authorized the Managing Director to open and operate Bank Accounts with any of the following:-

Papua New Guinea Banking Corporation;
Westpac Banking Group (PNG) Limited; and
Indosuez Niugini Bank Limited.

ADOPTION OF
COMMON SEAL:

IT WAS RESOLVED that the Seal an impression whereof is affixed to this Minute be and is hereby adopted as the Common Seal of the Company.

CLOSURE:

There being no further business the meeting then terminated.

.....
Chairman

EX 119
5

A851I, **JOHN KASAIPWALOVA**

hereby consent to act as a ~~Director of~~ **Secretary of Angus (PNG) Pty Ltd**
and set out hereunder formal details required by
the Companies Act 1963 as amended of Papua New Guinea.

Christian Name: **JOHN**Surname: **KASAIPWALOVA**

Former Christian Name:

Usual Address: **P.O. Box 2755 Boroko**

Business Occupation:

Directorships of Public

Companies or Companies which

are Subsidiaries of Public

Companies:

The number of share in or
debentures of the Company
or a related Company within
the meaning of the Companies
Act 1963 as amended held by
or in trust for me is:

Date: **1.11.85****EX 119****5**

A852

I, FOONG CHIN CHEAH

hereby consent to act as a Director of

ANGUS (PNG) PTY LTD

and set out hereunder formal details required by

the Companies Act 1963 as amended of Papua New Guinea.

Christian Name: FOONG CHIN

Surname: CHEAH

Former Christian Name:

Usual Address:

Business Occupation:

Directorships of Public

Companies or Companies which
are Subsidiaries of Public

Companies:

The number of share in or
debentures of the Company
or a related Company within
the meaning of the Companies
Act 1963 as amended held by
or in trust for me is:

Date: 1 November 1985

EX 119

5

A853

I, **EDWARD DIRO**
hereby consent to act as a Director of **ANGUS (PNG) PTY LIMITED**
and set out hereunder formal details required by
the Companies Act 1963 as amended of Papua New Guinea.

Christian Name: **EDWARD**

Surname: **DIRO**

Former Christian Name:

Usual Address:

Business Occupation:

Directorships of Public

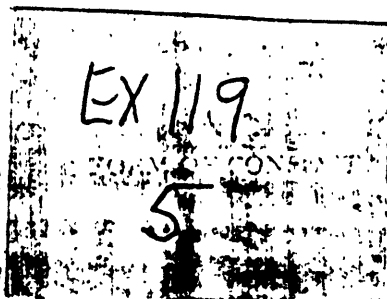
Companies or Companies which

are Subsidiaries of Public

Companies:

The number of share in or
debentures of the Company
or a related Company within
the meaning of the Companies
Act 1963 as amended held by
or in trust for me is:

Date: **1 November 1985**



No. of Company .

Form 18
Section 56 (1), 2 (b)

PAPUA NEW GUINEA

Companies Act 1963 (as amended)

A859

RETURN OF ALLOTMENT OF SHARES

OF.....ANGUS (PNG) PTY.....LIMITED

The shares referred to in this return were allotted, or are deemed to have been allotted under subsection (6) of section 54 of the Companies Ordinance 1963 (as amended), between the day of 19..... and the day of 19.....

OR (Strike out whichever does not apply)

on the 1 day of November 1985.

1. Number of shares allotted payable in cash. TWO

Nominal amount of EACH of the shares so allotted one kina k

Amount paid or due and payable on EACH of the shares so allotted:

Paid on or before allotment. . . . one kina K

Due and payable on allotment. K

Amount of premium paid or payable on EACH share nil K

2. Number of shares allotted for consideration other than cash. nil

Nominal amount of EACH of the shares allotted

The consideration for which the shares have been so allotted is as follows:

CERTIFICATE (Where by virtue of paragraph (b) of subsection (2) of Section 54 of the Companies Ordinance, a company does not include in paragraph 3 (over) the particulars mentioned in paragraph (d) of subsection (1) of that section, the company shall complete this certificate.

I hereby certify in relation to..... LIMITED, that

(a) the company has more than five hundred members;

(b) the company keeps its principal shares register at a place in the town in which is situated the office of the Registrar of Companies;

(c) The company provides reasonable accommodation and facilities for person to inspect and take copies of its list of members and its particulars of shares transferred;

(d) the shares referred to in this return were allotted for cash

OR (Strike out whichever does not apply)

(e) the shares referred to in this return were allotted for a consideration other than cash and the number of persons to whom the shares have been allotted exceeds five hundred.

Dated this day of 19..51

Secretary

OFFICE USE ONLY[illegible]

3. The names and address of the allottees of shares in the company and the numbers and classes of shares allotted to them are as follows:

SURNAME	CHRISTIAN OR OTHER NAME (at least one Christian or other name and other initials)	ADDRESS	NUMBER OF SHARE				
			Preference		Ordinary		Other
			Cash	otherwise	Cash	otherwise	Other
CHEAH TAMWORTH NO. 35 PTY LTD	FOONG CHIN	EX 119 5			K1.00		
					K1.00		

A 855

Dated this day of 19..... Director/Secretary (Strike out whichever does not apply)

ANGUS (PNG) EPTY

LIMITED

together with the fees indicated by the cash-register imprint.

Note: This receipt shall be of no effect unless the cash-register imprint appears hereon.

Lodged with the Registrar of Companies on

GADENS

PORT MÖRESBY Tel. 5211033

NOTES:

- NOTES:
1. This return is to be completed in full except where it relates to a change of particulars of managers and secretaries, when only those particulars are to be given. Where a director is also a manager or secretary, particulars are to be given under each of the headings DIRECTORS, MANAGERS AND SECRETARIES.
 2. NATURE AND DATE OF APPOINTMENT OR CHANGE: Insert, relation to a new office APPOINTED or IN PLACE OF (former officer's name).
 3. NAME: If individual, Christian or other name and surname; if corporation, corporate name.
 4. ADDRESS: If individual, usual residential address; if corporation, address of registered or principal office.
 5. PARTICULARS OF OTHER DIRECTORSHIPS: Insert particulars of any other directorships of public companies or companies which are subsidiaries of public companies held by the director, but not particulars of directorships held by a director in a company that by virtue of Subsection (5) of Section 6 of the Companies Act 1963 (as amended) is deemed to be related to that company. Where a person is a director in one or more subsidiaries of the same holding company it is sufficient to disclose that the person is the holder of one or more directorships in that group of companies and the group may be described by the name of the holding company with the addition of the word GROUP. If no other directorships state so.
 6. MANAGER, in relation to a company, means the principal executive officer of the company for the time being by whatever name called and whether or not he is a director.

MANAGERS AND SECRETARIES

FULL NAME	ADDRESS	OTHER OCCUPATION (if any)	NATURE AND DATE OF APPOINTMENT OR CHANGE
MANAGERS			
SECRETARIES			
HOLE KIRKEMO	P.O. Box 2755 Boroko		resigned 1.11.85
NN KASAIPWALOVA	P.O. Box 2755 Boroko		appointed 1.11.85

OFFICE USE ONLY

Q77-4772-205-10.00

[illegible]

Companies Act 1963 (as amended)

SCHEDULE 03

RETURN GIVING PARTICULARS IN REGISTER OF DIRECTORS, MANAGERS AND SECRETARIES, AND CHANGES OF PARTICULARS OF

ANGUS (PNG) PTY. LTD.

LIMITED

(Before completing this form read notes on reverse side)

Form 43

Section 134 (6)

DIRECTORS

No. of Company

NAME (If name has changed indicate also former name)	Address	Business Occupation (If any)	Particulars of other Directorships held	Nature and date of appointment or change
JOHN KASAPWALOVA	P.O. Box 2755 Boroko			continuin
GERARD S. KASSMAN	P.O. Box 1042 Port Moresby			continuin
EDWARD DIRO				appointed 1.11.85
FOONG CHIN CHEAH		Managing Director		appointed 1.11.85

A857

Director/Secretary
(Strike out whichever does not apply)

MINUTES OF A MEETING OF DIRECTORS OF ANGUS (PNG) PTY LIMITED

DATE: 1 November 1985

LOCATION: Suite 2, Level 5
Pacific View Apartments
Port Moresby

TIME:

PRESENT: Mr J Kasaipwalova
Mr G S Kassman

CHAIRMAN: Mr Kasaipwalova was appointed Chairman of the meeting.

APPOINTMENT OF DIRECTORS: IT WAS RESOLVED that Foong Chin Cheah and Sir Tore Lokoloko be appointed Directors, their consents to so act being presented at the meeting.

CHAIRMAN OF THE BOARD: IT WAS RESOLVED that in accordance with Article 83 of the Articles of Association of the Company that Sir Tore Lokoloko be appointed Chairman of the Company to be effective from the termination of this meeting.

MANAGING DIRECTOR: IT WAS RESOLVED that in accordance with Article 89 of the Articles of Association of the Company that Foong Chin Cheah be appointed as Managing Director of the Company to be effective from the termination of this meeting.

RESIGNATION OF SECRETARY: Nichole Kinkemo tabled her resignation as Secretary of the Company and it was resolved to accept such resignation with effect from the termination of the meeting.

APPOINTMENT OF SECRETARY: IT WAS RESOLVED that John Kasaipwalova be appointed as Secretary of the Company, his consent to so act being presented at the meeting.

APPOINTMENT OF PUBLIC OFFICER: IT WAS RESOLVED that John Kasaipwalova be Public Officer of the Company.

ALLOTMENT OF SHARES: The Chairman tabled applications for the following shares of K1.00 each from the following persons together with application moneys:-

Foong Chin Cheah	- 500 shares
Anthony Dito	- 1,000 shares
Angus Investment Pte Ltd	- 2,000 shares
John Kasaipwalova	- 2,000 shares

7498

GSK/jac/SP15.168

Signed as a true and correct record

CHAIRMAN

DATE

Received from GADENS

of PO BOX 1042 PORT MORESBY
by the Registrar of Companies.

A925

RETURN OF ALLOTMENT OF SHARES OF ANGUS (PNG) PT
together with the fees indicated by the cash-register imprint.
Note: This receipt shall be of no effect unless cash register
imprint appears hereon.

LIMITED

Ex 117

Lodged with the Registrar of Companies on
by GADENS
of PORT MORESBY Tel 211 033

17

PAPUA NEW GUINEA

No. of Company

Companies Ordinance 1963 (as amended)

RETURN OF ALLOTMENT OF SHARES

ANGUS (PNG) PTY

LIMITED

The shares referred to in this return were allotted, or are deemed to have been allotted under subsection (6) of section 54 of the Companies Ordinance 1963 (as amended), between the _____ day of _____ 19____, and the _____ day of _____ 19____.

OR (Strike out whichever does not apply)

on the day of 19

1. Number of shares allotted payable in cash Nine thousand nine hundred and ninety eight

Nominal amount of EACH of the shares so allotted K1.00

Amount paid or due and payable on EACH of the shares so allotted:

Paid on or before allotment	K1.00
-----------------------------	-------

Due and payable on allotment

Amount of premium paid or payable on EACH share	Nil	\$
Number of shares allotted		\$

2. Number of shares allotted for consideration other than cash	Nil
--	-----

Nominal amount of EACH of the shares allotted

The consideration for which the shares have been so allotted is as follows:

CERTIFICATE (Where by virtue of paragraph (b) of subsection (2) of Section 54 of the Companies Ordinance, a company does not include in paragraph 3 (over) the particulars mentioned in paragraph (d) of subsection (1) of that section, the company shall complete this certificate.

I hereby certify in relation to

(a) the company has more than five hundred members;

(h) the company keeps its principal shares register at a place in the town in which is situated the office of the Registrar of Companies;

(c) the company provides reasonable accommodation and facilities for persons to inspect and take copies of its list of members and its particulars of shares transferred.

(d) the shares referred to in this return were allotted for cash

OR (Strike out whichever does not apply)

(c) the shares referred to in this return were allotted for a consideration other than cash and the number of persons to whom the shares have been allotted exceeds five hundred

Dated this

day of

19

Secretary.

OFFICE USE ONLY

JOURNAL					EXAMINATION								
REQUISITION													
REGISTERED													
Fees payable													
	Date of presentation												

AM26

Classes of the allottees of shares in the company and the numbers and classes of shares allotted to them are as follows:

CHRISTIAN OR OTHER NAME (at least one Christian or other name and other initials)	ADDRESS	NUMBER OF SHARES					
		Preference		Ordinary		Other Kinds	
		Cash	otherwise	Cash	otherwise	Cash	otherwise
FOONG CHIN ANTHONY PTE LTD JOHN	EX 117 17			K500 K3499 K2000 K3999			

SCHEDULE 05

(A)

ANGUS (PNG) P/L

A933

fully paid K10,000.00

Cheah
Kassam
Kassipwalova

ANGUS INVESTMENTS PTE LTD
20% = 2,000 shares

transfer held by
shares held by
Tammuth to
A. Diao.

ANTHONY DIAO
35% = 3,500 shares

J. KASSIPWALOVA
40% = 4,000 shares

Deed of Trust
- trustee
4% - F. Cheah
31% - Angus
Investment
Pte Ltd.

F. C. Cheah
5% = 500 shares

lodge returns of Directors
apptmt & resignations.

resignation of T. Diao - 1/11/85
Accept appt of T. Lokoloko 1/12/85

1000 100,000
700,000 500,000
1,000 1,000,000

reg. fees? 200

18/1/85 - TRP. Magarida

meant 13-1-86

date of TRP application

EX 120

AGSA

17/3/86

(T) J. Kasapwalova

N/A as he left for Milne Bay
this morning.(T) Minister for Forest Office N/A
- left message.

25/3/86

(T) J. K.

Share to be held by JK
Number of Shares 7498. Delete
Duro Anthony in total.

GJK

EX 120

7.

A935MINUTES OF A MEETING OF DIRECTORS OF ANGUS (PNG) PTY LIMITED

EX 120

49

DATE:

1 November 1985

LOCATION:Suite 2, Level 5
Pacific View Apartments
Port MoresbyTIME:PRESENT:Mr J Kasaipwalova
Mr G S KassmanCHAIRMAN:

Mr Kasaipwalova was appointed Chairman of the meeting.

APPOINTMENT
OF DIRECTORS:IT WAS RESOLVED that Foong Chin Cheah and Sir Tore Lokoloko be appointed Directors, their consents to so act being presented at the meeting.CHAIRMAN OF
THE BOARDIT WAS RESOLVED that in accordance with Article 83 of the Articles of Association of the Company that Sir Tore Lokoloko be appointed Chairman of the Company to be effective from the termination of this meeting.MANAGING
DIRECTOR:IT WAS RESOLVED that in accordance with Article 89 of the Articles of Association of the Company that Foong Chin Cheah be appointed as Managing Director of the Company to be effective from the termination of this meeting.RESIGNATION OF
SECRETARY:

Nichole Kirkemo tabled her resignation as Secretary of the Company and it was resolved to accept such resignation with effect from the termination of the meeting.

APPOINTMENT OF
SECRETARY:IT WAS RESOLVED that John Kasaipwalova be appointed as Secretary of the Company, his consent to so act being presented at the meeting.APPOINTMENT OF
PUBLIC OFFICER:IT WAS RESOLVED that John Kasaipwalova be Public Officer of the Company.ALLOTMENT OF
SHARES:

The Chairman tabled applications for the following shares of K1.00 each from the following persons together with application moneys:-

Foong Chin Cheah

- 500 shares

A936

- 2 -

IT WAS RESOLVED:

1. That the applications be accepted and subject to stamping be registered as allotted.
2. That the names of the persons be entered into the register of the members of the Company in respect of the shares so allotted.
3. That Share Certificates be issued to them under the Common Seal of the Company.

OPERATION OF
BANK ACCOUNT:

The Directors authorised the Managing Director to open and operate bank accounts with any of the following:-

Papua New Guinea Banking Corporation
Westpac Banking Group - PNG Limited and
Indosuez Niugini Bank Limited.

ADOPTION OF
COMMON SEAL:

IT WAS RESOLVED that the seal an impression whereof is affixed to these minutes be and is hereby adopted as the Common Seal of the Company.

CLOSURE:

There being no further business the meeting then terminated.

.....
Chairman

EX 170

9

Received from

GADENS

of PO BOX 1042 PORT MORESBY
by the Registrar of Companies.

A937

RETURN OF ALLOTMENT OF SHARES OF ANGUS (PNG) PTY

LIMITED

together with the fees indicated by the cash-register imprint.

Note: This receipt shall be of no effect unless cash register
imprint appears hereon.

Lodged with the Registrar of Companies on

by GADENS

of PORT MORESBY Tel. 211 033

PAPUA NEW GUINEA

No. of Company

Companies Ordinance 1963 (as amended)

RETURN OF ALLOTMENT OF SHARES

DE ANGUS (PNG) PTY

LIMITED

The shares referred to in this return were allotted, or are deemed to have been allotted under subsection (6) of section 54 of the Companies Ordinance 1963 (as amended), between the ----- day of -----

- 19 - and the

५३५३५

OR (Strike out whichever does not apply)

on the .. day of .. 19 ..

1. Number of shares allotted payable in cash Nine thousand nine hundred and ninety eight

Nominal amount of EACH of the shares so allotted K1.00

Amount paid or due and payable on EACH of the shares so allotted

Paid on or before allotment K1.00

Due and payable on allotment

Amount of premium paid or payable on EACH share Nil

Number of shares allotted for consideration other than cash Nil

Nominal amount of EACH of the shares allotted

The consideration for which the shares have been so allotted is as follows:

CERTIFICATE (Where by virtue of paragraph (b) of subsection (2) of Section 54 of the Companies Ordinance, a company does not include in paragraph 3 (over) the particulars mentioned in paragraph (d) of subsection (1) of that section, the company shall complete this certificate.)

I hereby certify in relation to

LIMITED, (the

(a) the company has more than five hundred members;

(h) the company keeps its principal shares register at a place in the town in which is situated the office of the Registrar of Companies.

(c) the company provides reasonable accommodation and facilities for persons to inspect and take copies of its list of members and its particulars of shares transferred;

(d) the shares referred to in this return were allotted for cash

OR (Strike out whichever does not apply)

(r) the shares referred to in this return were allotted for a consideration other than cash and the number of persons to whom the shares have been allotted exceeds five hundred.

Dated this _____ day of _____

19

Secretary.

OFFICE USE ONLY

JOURNAL					EXAMINATION				
REQUISITION									
REGISTERED									
Fees payable \$	Date of presentation Re presentation								

A938

names and addresses of the allottees of shares in the company and the numbers and classes of shares allotted to them are as follows:

SURNAMES	CHRISTIAN OR OTHER NAME (at least one Christian or other name and other initials)	ADDRESS	NUMBER OF SHARES					
			Preference		Ordinary		Other Finds	
			Cash	otherwise	Cash	otherwise	Cash	otherwise
THEAH	FOONG CHIN	EX 120 10			K 500			
ARGUS INVESTMENT PTE LTD					K2000			
ASAIPWALOVA	JOHN				K7498			

Dated this day of 19 Director/Secretary. (Strike out whichever does not apply)

F^c

gus

SCHEDULE 10

**GADENS
LAWYERS**

8th Floor, Invesmen Haus
Douglas Street
Port Moresby

Postal Address:

P O Box 1042
Port Moresby

Phone: 21 1033

Telex: NE 22162

Memo to: REGISTRAR OF COMPANIES

Date: 25/3/86

From: GERARD KASSMAN

File: ANG850738

MATTER: ANGUS (PNG) PTY LIMITED
NO. C10442

A942

We enclose:-

1. Return of Allotment of Shares
2. Return Giving Particulars in Register of Directors, Managers and Secretaries, and Changes of Particulars.
3. A cheque for K98.00 being your fees.

Please acknowledge receipt on the duplicate of this letter.

Yours faithfully

for GADENS

Encls

EX 120
13

WE HEREBY ACKNOWLEDGE RECEIPT
OF THE ABOVE ENCLOSURE
DATED



8/2: Acc: 55987

ANGUSPNG NE23341

08990 NOV 21 1985 1213

GOOD AFTERNOON

APPENDIX 09

B184

GA

8755671+

ANGUSG RS55671

21/11/85 A NEWSFLASH

ATTENTION : ANGUS SINGAPORE ----- NEWSFLASH----- NEWSFLASH

FROM: ANGUS (PNG)

VOTE OF NO CONFIDENCE IN THE SOMARE GOVERNMENT SUCCEEDED 1 HOUR
AGO . NEW PRIME MINISTER OF PAPUA NEW GUINEA IS MR. PAIS WINGTI .
MR. TED DIRO IS WITH THE NEW GOVERNMENT TO BE FORMED AND WILL
MOST LIKELY BE THE MINISTER FOR FORESTS .

REGARDS

JOHN K. / ANGUS (PNG)0

ANGUSPNG NE

00000

TIME 001.4 MINS

EX68(69)
29

C. FUJI INTERIORS

Mr Diro conceded through his Counsel that this was a business name controlled by TAMWORTH NO 35 PTY LIMITED.

D. VALINAMA PTY LIMITED

Mr Diro conceded through his Counsel that this company was controlled by his wife Mrs VEITU DIRO.

E. APANA SPORTS

Mr Diro conceded through his Counsel that this business name was controlled by VALINAMA PTY LIMITED.

(5)

BCL Tender.

MOIC	51%
INDEC	19%
BDC	30%

BDC to tender
for MOIC guar
supply del
of oil to B
in ever
success

Heads of Agreement - would be by Sabana

JK to ring P. Neran (BDC.) to give draft to GK

check if a comp

(6) * INDEC to purchase from STC.
Ted to give GK details

TRUSTEE?

- MAMAI ESTATE

~~235,000.00~~
P. Price : 235,000.00

stamp
duty

breakdown of
PP

10%

T

MOIC
INDEC

(7) INDEC & MOIC -

23500
~~23,500.00~~

D/TRUST ÷ MOIC & INDEC and another.
OR GIFT?

- see options

(8) INDEC 20% MOIC 40% DAVID 500 40%

- NIDA approval OPEN

- Foreign Exchange

T. Ohio

INVESTMENT & DEVELOPMENT (PNG)
from Tamworth No. 35,

0 APPENDIX 12

MOIC NE23341

04952 NOV 08 1985 1046

GOOD MORNING

GA

4662249+

62249 KUNDU B

8/11/85 A - ROM4/85

HIS EXCELLENCY ,

PNG EMBASSADOR , BRUSSELS , TELEX KUNDU62249

ATTN: MR. CHRIS MERO

FROM: ANGUS (PNG) PTY LTD , TELEX NE23341 .

YOUR EXCELLENCY ,

ANGUS (PNG) AND BOUGAINVILLE DEVELOPMENT CORPORATION ARE DESIROUS OF SEEKING NEW INTERNATIONAL TRADING PARTNERS AND HAVE IDENTIFIED RUMANIA AS ONE OF THE POTENTIAL SOURCES OF EQUIPMENT AND TECHNICAL KNOWHOW . IN PARTICULAR , THE COMPLETE RANGE OF TRUCKS , JEEPS AND FARM TRACTORS UNDER THWE BRAND NAME OF ,ROMAN, WHICH WE BELIEVE TO BE QUITE WELL KNOWN IN EUROPE AND ASIA . WE WOULD THEREFORE WISH TO UNDERTAKE THE MARKETING AND AGENCY FRANCHISE FOR , ROMAN , IN PNG .

FOR YR INFO:- HON. TED DIRO - CHAIRMAN OF ANGUS (PNG)

MR. L. HANNETT- CHAIRMAN OF BDC

YOUR KIND ENQUIRIES AND REPRESENTATION TO THE RUMANIAN EMBASSY IN BRUSSELS ON OUR BEHALF WOULD BE GREATLY APPRECIATED AS WELL AS ANY ADVICE AND ASSISSTANCE FROM YOUR OFFICE .

IN GREETINGS ,

WE KINDLY REMAIN YOURS SINCERELY ,

JOHN KASAIPWALOVA

DIRECTOR - CORPORATE PLANNING AND DEVELOPMENT

ANGUS (PNG) PTY LTD

P.O. BOX 2755 , BOROKO , PNG . TEL 258237 .00

MOIC

FIIELM7 70

62249 KUVV

00000

TIME 004.0 MINS

90522650+

0

ANGUSPNG NE23341

18272 NOV 26 1985 1622

GOOD AFTERNOON

B185

GA

90522650+

22650 EKOHTL NG0

22650 EKOHTL NG

ANGUSPNG NE233410

22650 EKOHTL NGNOV26/85B

EKO HOLIDAY INN

ATTN: MR.M.A.ANG OF ROOM G. 36/37

FROM. ANGUSPNG.

AA. MR.TED DIRO CONFIRMED MINISTER OF FORESTS.

BB. INFORMED BY HARDY THAT PNG IS INTERESTED IN YAP KWAN SENG
PROPERTY. PRESENT GOV'NT POLICY IS TO SAVE MONEY AND CUT
OUT ALL UNNECESSARY SPENDING.

CC. PRESENT NEW GOV'NT HAS 5 PARTIES' COALITION FRONT, THEREFORE
SITUATION HERE IS VERY DELICATE.

DD. 0 ANGUS POSITION IS WELL PROTECTED N IN VERY FAVOURABLE
POSITION BUT MUST NOW KEEP VERY LOW PROFILE

EE. IN VIEW OF ABOVE SITUATION I MUST STRONGLY RECOMMEND THAT
HARDY'S PRESENCE IN PNG IS COUNTER PRODUCTIVE.

REGARDS

ANGUS PNG.

F.C.CHEAH.

0

ANGUSPN

22650 ZKQ%00000

TIME 003.1 MINS

EX68(69)

24

MAGI WOPTEN DEVELOPMENT CO PTY LTD
P.O. BOX 16
MAGARIDA, CENTRAL PROVINCE

2 December 1985

The Secretary
Department of Forests
P O Box 5055
BOROKO, PNG

SECRETARY'S OFFICE	
Date Received	3-12-85
Refer to and/or file no.	151-3-17/01
Signed	<i>[Signature]</i>

Attention: Mr. Oscar Mamalai

Dear Sir

RE: TIMBER PERMIT 151-3-17

Thank you for your letter ref. 151-3-17 dated 27th November 1985 on the above subject.

Please consult with us the specific guidelines for the development of the forest resources of the Bonua-Magarida-Gadaisu TRP area, before they are finalised and issued to interested parties. Finally, it must be emphasised that Magi Wopten Development Co. Pty Ltd will make the final decision on any future manager or partner on the above project.

Again, we thank you for your co-operation and look forward to your Department's continual support and liaison with Magi Wopten Development Co. Pty Ltd.

Yours faithfully
MAGI WOPTEN DEVELOPMENT CO. PTY LTD

[Signature]

INNI R. BLIVATAR
CHAIRMAN OF THE BOARD

Could not find the previous preference

**MINUTES OF SPECIAL MEETING BY
POLITICAL LEADERS OF CENTRAL PROVINCE
TO CONSIDER MAGARIDA TIMBER PROJECT**

- VENUE : Office of National Minister for Forests Hohola
- DATE : Wednesday, 4th December 1985.
Meeting Commenced 4:30 P.M./Closed 6:30 P.M.
- PRESENT : Honorable E. R. Diro - Minister for Forests
Oscar Mamalai - Secretary/Dept. of Forests
Kone Vanuowara - Premier/Central Province
Jack Genia MP - Member for Abau Open
Abau - Provincial Member for Health
Lapilo - Provincial Member for Abau/Amazon Bay
James Makario - Provincial Minister for Forests
John Kasaipwalova - Representing ANGUS (PNG)
Inni Bureau - Chairman/Magi Wopten Pty Ltd
- DIRO : Opened the meeting and welcomed the national and provincial leaders to his office. Outlined the national government new policy of expediting logging operations to generate employment and foreign exchange earnings. Magarida Project had been debated for too long and would appreciate some resolution from the leaders on the project.
- KONE VANUOWARA : Provincial Government had already decided that the project must go ahead as a joint venture project between Magi Wopten Development Pty Ltd and MOIC Investment Pty Ltd (Angus (PNG) Pty Ltd). Condemned the unnecessary delay from Office of Forests.
- JACK GENIA : Urged the Minister for Forests to grant logging permit to proposed joint venture. Angus (PNG) commitment to purchase Mamai Estates is more than enough evidence of intentions for Agro/Forestry developments. Requested Angus to cease negotiations with S.T.C. for ANG Timbers operations in Kupiano.
- INNI BUREAU : Agreed for the logging permit to be issued to Magi Wopten Development Pty Ltd but requested that the contractor be drawn from a tendering basis supervised by Office of Forests.
- LAPILO : Asked the Chairman of Magi Wopten to withdraw his requests, as he as Chairman was one of the reasons why the project cannot go ahead quickly. The company was in a mess and as Chairman he was responsible.
- OSCAR MAMALAI : Confirmed the view of Dept. of Forests that Magi Wopten

MINUTES OF SPECIAL MEETING BY POLITICAL LEADERS OF CENTRAL PROVINCE
TO CONSIDER MAGARIDA TIMBER PROJECT - 4TH DECEMBER 1985 - Page 2

Development Pty Ltd should ~~refer~~ the interests of legitimate landowners of the resource area in equity and in board representation.

RESOLUTION : The meeting unanimously resolved that the National Minister for Forests issue a logging permit to a joint venture between Magi Wopten Development Pty Ltd and Angus (PNG) Pty Ltd at the earliest possible time.

ALL AGREED.

Honorable Diro - Minister for Forests closed the meeting and assured the leaders that he will comply by the resolution of today's meeting but warned Magi Wopten Development that-

- (a) Their company affairs must be resolved with the Registrar of Companies, and
- (b) The directorships and equity distribution for Magi Wopten must reflect the interests of traditional landowners of the TRP areas.

Meeting closed at 6:30 P.M.

DEPARTMENT OF FORESTS

OFFICE OF THE SECRETARY

TELEGRAMS: FORESTS

TELEX: NE22380

TELEPHONE: 264022

FRANGIPANI STREET

P.O. BOX 8056

BOROKO

PAPUA NEW GUINEA

OUR REF 345-15-1

20 December 1985

Mr F.C. Cheah
Executive Director
Angus (PNG) Pty Ltd
P O Box 2755
BOROKO
National Capital District

Dear Sir

INVITATION FOR A DEVELOPMENT PROPOSAL - GADAISSU TRP,

CENTRAL PROVINCE

This refers to our brief meeting in my office on the 19 December regarding the subject matter.

It would seem to me that despite the resignation of previous Directors and the appointment of new ones to the Board of Magi-Wopten Pty Ltd as took place in the Company's annual general meeting held in Magarida on the 13 December 1985, some differences among the people and in particular between the leaders of Magi-Wopten and those of Amazon Bay Sawmilling Co. are far from over. In addition a lot more work would be required to be done if a proper landowner Company is to be established. This would take some time.

Because of this, the fact that the TRP over the Bonua-Magarida timber area is yet to be completed and on the clear understanding that the Central Provincial Government and the people of the Magarida have waited long enough for a timber project in their area, it has been decided that your Company be invited to submit to this Department a development proposal over the Gadaisu TRP area. It is intended that this would pave the way for the development of the said TRP initially and in due course the Bonua-Magarida resource as well.

I must point out that under normal circumstances the Department would invite development proposals from more than one Company. In this case however, your Company is being given the first opportunity to submit a proposal. We therefore expect that such proposal is satisfactory and that it is consistent with the 1979 White Paper Revised Forest Policy. If this is not the case we reserve the right to invite other Companies to bid for the project as well.

2.

You have been provided a copy of the said Forest Policy and a copy of the Department's Content and Format Specifications booklet which we expect it to be used.

Your Company is required to submit a development proposal to reach my office no later than the 13 January 1985.

Yours faithfully



O MAMALAI
Secretary

- cc Minister for Forest
- cc The Premier
Central Provincial Government
KONEDOBU
- cc The Secretary
Department of Central Province
KONEDOBU
- cc The Provincial Forest Officer
KONEDOBU

APPENDIX 17

PAPUA NEW GUINEA

TO:

gm
SECRETARY

Date 9th January, 1986

MINUTE

File No. _____

SUBJECT

BONUA-GADAI SU TRP

I refer to the letter by Hon Lucas Waka, MP concerning Bonua-Gadaisu TRP addressed to me. Copy is attached for your information.

I reject all recommendations in the letter.

In accordance with the government's policy of accelerated rural development programmes and the drive for urgent job creation through mining, agriculture, fisheries and forestry, you are to take immediate steps to issue the Timber Permit in due course.

E R Diro

E R DIRO, CBE, OStJ, FAIM, MP
Minister for Forests

See

for files and to put the record straight.

E R Diro

Office of the Minister of Forests

TELEPHONE 3355
TELEGRAMS FORESTS
TELEX 21000

P.O. BOX 505
BOROROA
PAPUA NEW GUINEA

OUR REF 151-3-17

Hon. E.R. Diro, CBE,OST.J., MP
Member for Central
Parliament House
WAIGANI

Dear Sir,

GADAIKU TRP AND BONUA-MAGARIDA TIMBER AREAS - CENTRAL PROVINCE

This letter is in reference to your letter of 14 October 1985, re-the Gadaisu TRP area and to discussions relating to the adjoining Bonua-Magarida timber area in the Central Province.

It is evident from your above referred letter that my Ministry's intention to allocate the Gadaisu TRP area to Ulabo Timber Company of the Milne Bay Province is not acceptable to the parties involved in pursuing the establishment of a timber project in the Bonua-Magarida area.

They want the Gadaisu TRP area to be included in the Bonua/Magarida project. Further, I'm informed that the Chairman of Magi-Wopten has also advised the Secretary for Forests of his Company's rejection of the proposed allocation of the Gadaisu TRP area to any Company other than Magi-Wopten.

You would recall that one of the main reasons for the intention to allocate the Gadaisu TRP area to Ulabo Company was because of frustration in getting a timber project initiated in that part of the Central Province. Despite a lot of attempts during the last 3 years for a timber project over the Bonua/Magarida resource established, it seems we are still far from accomplishing this.

I believe the involvement of too many people with conflicting views as to how to establish a timber project in the area and as to which company should be involved have been major contributing factors to this long delay.

Referring back to the question of allocation of the Gadaisu TRP area, I wish to advise that after considering your presentation and that of Magi-Wopten against the allocation to Ulabo, I have decided that the said TRP area be developed as part of the Bonua/Magarida area. Furthermore, I wish to re-iterate my commitment of the Bonua/Magarida resource to Magi-Wopten. Such commitment however is subject to receipt of a satisfactory development proposal from Magi-Wopten and the successful negotiation of a project. This together with the proper completion of TRP over the Bonua-Magarida are prerequisite to issuance of a timber permit and thereafter commencement of timber operations.


In consideration of the long delay in getting a project going in the area, and the obvious desire to bring discussions to fruition, I wish to propose that the full responsibility for the project be left with my Department. They would Co-ordinate with the Department of Central and jointly they would guide the establishment of a timber project as soon as possible. In this regard it would be important that little interference is made to the two departments in pursuing the project.

Finally, with uncertainties of the bona fide of MOIC I feel the best course of action our officers should be allowed to pursue, of course, in consultation with Magi-Wopten is to draw up specific project guidelines and then to invite development proposals from a list of prequalified Companies.

MOIC as well as Ulabo are already on the list so they could both be invited together with a number of other Companies which have shown interest over the resource. On receipt of proposals we would then be able to select the best company to come in as a partner or manager to Magi-Wopten.

I request that you seriously consider the above suggestion and advise me as soon as possible so that I can instruct my department to act accordingly.

Yours sincerely


L. J. WAKA, MP
Minister for Forests.

cc: Mr J. Genia, MP

cc: Mr I. Burrau.

Recd M of 5/1/85**ANGUS**
(PNG) PTY. LTD.

洪嘉投資有限公司
Suite 502, Pacific View
PO Box 2755
Boroko,
Papua New Guinea,
Tel (675) 258237
Telex. NE 23341

20th December 1985

Oscar Mamalai Esq.
Secretary
Department of Forests
HOHOLA.

Dear Sir,

For your information ANGUS (PNG) PTY. LTD. is a national Company.

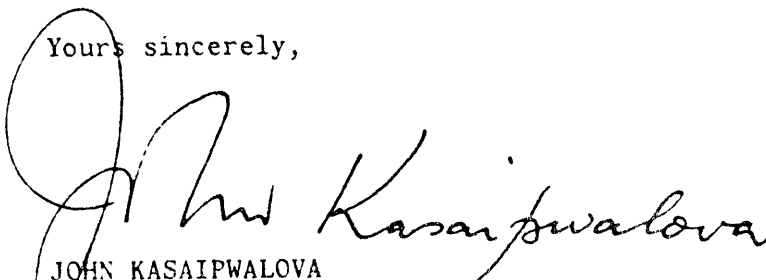
It was incorporated on 6/2/85.

The Company Registered No. is C10442.

Our address is: Apartment 502
Pacific View
P.O. Box 2755
BOROKO

Telephone: 258237
Telex : NE23341
Fax : 214542

Yours sincerely,


JOHN KASAIPWALOVA
(Company Secretary)

PAPUA NEW GUINEA

TO:

H/01

Date 24 December 1985

MINUTE

File No. 345-15-1

SUBJECT

PROPOSED GADAIISU TIMBER PROJECT

^{F15}
The Secretary's letter of 20 December to Angus (PNG) Pty Ltd (Angus) refers.

Firstly, I would like to express my disappointment that this project was not discussed within the Department before the letter was written. As the officer given the task of dealing with new projects it is not clear why I was not involved in the decision-making process that resulted in this letter being written.

With regard to the specific contents of the letter, I do not agree with the separate allocation of the Gadaisu resource. Such an action is not in accordance with this Department's 'rationalisation policy'. Nor do I agree with the decision to invite a proposal from Angus. I have no information on Angus, which is either a foreign company which is not registered with this Department or a national company in which case should it not adequately represent the interests of the Gadaisu landowners which would be in accordance with this Department's policy regarding 'landowners' companies'? The letter does not indicate why Angus was selected.

Apart from copies of the Forest Policy and Content and Format Specifications, no specific guidelines e.g. regarding Magi Highway construction were provided to Angus. It is totally unrealistic to request Angus to submit a satisfactory proposal by 13 January 1986.

In conclusion, I am of the opinion that by inviting Angus to submit a proposal in this manner the Department is only creating further problems for itself and all parties involved. I foresee a situation on 14 January 1986 when either an unsatisfactory proposal or no proposal whatsoever will have been submitted by Angus. Presumably then the project will be discussed within the Department in a manner which so far has not taken place.

(BUNJ)

E2

(17)
(106)

PAPUA NEW GUINEA

TO: SECRETARY

Date 2 January 1986

MINUTE

File No. 345-15

SUBJECT

PROPOSED GADAIKU TIMBER PROJECT

The attached minute (folio 16) refers to the letter at folios 13-14. I endorse the concern raised in the minute.

Furthermore, as head of the Operations Division I am also rather disturbed and disappointed at the manner in which ~~on which~~ the above resource is allocated to a Company almost "unheard" of in the country. The disturbing factors being the "unspecified" basis for allocation of the resource and the lack of consultation with my Division before the decision to allocate the resource to the company was taken. Whilst appreciating your discretionary power to make decisions, I still feel that it is important to consult the officers who are dealing with the project prior to that decision being taken.

I was aware that the Department's stand was to and I believe should be to allocate the resource to an existing timber company which is facing resource shortage. The company in mind then was Ulabo Timber Company. I do not understand the sudden change of this position.

I would appreciate clarification on this matter, please.



J MANTU
FAS - Operations

JM/ai


ANGUS

(PNG) PTY. LTD.

 洪嘉投資有限公司
 Suite 502, Pacific View,
 PO Box 2755
 Boroko,
 Papua New Guinea,
 Tel (675) 258237
 Telex: NE 23341

13th January 1986

 Oscar Mamalai Esq.,
 Secretary,
 Department of Forests,
 P.O. Box 5055,
 Boroko,
 Papua New Guinea.

Dear Sir,

PROPOSAL FOR THE DEVELOPMENT OF GADAISSU-BONUA-MAGARIDA TRP

Our company is grateful for your invitation to submit a development proposal for the Gadaisu-Bonua-Magarida TRP dated 20th December 1985.

We are happy to comply with the provisions of your dated invitation, and hereby submit our proposal in three volumes.

We fully agree with your Department that a proper landowner company is yet to be finalised. For this reason you will find that we have simply referred to our proposed joint venture partner as "Lanco" for the purposes of the submission. We are ready to undertake on behalf of landowners the necessary legal steps to involve them, however the approval and endorsement of the landowners company has to be decided by you and your Department.

Our logistical and financial planning is well advanced and should your Department approve our proposal, we propose to commence immediately.

Sir, we kindly submit our development proposal for the Gadaisu-Bonua-Magarida TRP in three volumes, consisting of

- Volume 1 -- Feasibility Study
- Volume 2 -- Cash Flow (logging and sawmilling)
- Volume 3 -- Mamai Estate (agricultural development)

We trust your earliest consideration, and remain

Yours faithfully,
 ANGUS (PNG) PTY LTD,

F.C. Cheah,
 Executive Director.

John Kasaipwalova,
 Director of Corporate Planning
 and Development.

PAPUA NEW GUINEA

TO: FAS - OPERATIONS

MINUTE

Date 14 January 1986

File No. 345-15-17

SUBJECT

PROPOSED GADAISSU TIMBER PROJECT

This is in reference to your Minute of 2 January 1986 and that of E2 dated 24 December 1985.

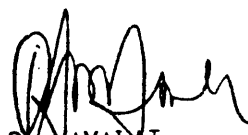
Your disappointment and that of the Assistant Secretary (Economics) as expressed in the above referred Minutes about the manner in which I dealt with the Gadaisu TRP area are noted. From my point of view I also want officers to note that I am the Head of this Department and as such I have certain authority to decide and take action on certain things in the manner I consider it appropriate. My decision to call for a proposal over the Gadaisu TRP area was based on very simple rationale. These are as follows:-

1. At this stage the State has rights only over the Gadaisu TRP.
2. Completion of TRP over the Bonua/Magarida block is yet to be achieved,
3. The differences among the various factions in the Magarida area are far from over,
4. The establishment of a timber project in the area has been delayed for far too long, and
5. The understanding that the people of the area as well as their Provincial Government are desirous for a project to be established as soon as possible.

The reason for inviting Angus (PNG) Pty Ltd was based on their strong intention for local processing and for follow-up agricultural projects. It is still the intention that a proper landowner Company would be formed but because of the existing differences among some of the landowners this would take time.

I have attempted above to clarify my reasons for inviting Angus (PNG) Pty Ltd to submit a proposal over Gadaisu TRP area. It is proposed that a Timber Permit would be issued over the Gadaisu area first and when TRP over the Bonua Gadaisu is effected, it would be included as part of the block.

As much as you have expressed disappointment over my action, I want to be advised whether or not you are prepared to pursue this project as part of your responsibilities.


O. NAMALAI
Secretary

cc Assistant Secretary - Economics

130

PAPUA NEW GUINEA

TO: SECRETARY

Date 17 January 1986

MINUTE

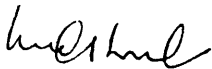
File No. 338-10
345-18

SUBJECT

GADAISSU TIMBER AREA - PROPOSAL

I have briefly studied the proposal submitted by ANGUS (PNG) Pty Ltd and my comments are as follows.

The proposal covers both Bonua-Magarida and Gadaisu Timber areas. This is contrary to your letter of 20th December 1985 in which you asked for a proposal over Gadaisu Timber Area initially. It is not possible to include Bonua-Magarida in this proposal. We should request the company to resubmit the proposal over Gadaisu alone and if its satisfactory negotiate a project agreement for 4 years. The Bonua-Magarida Timber Area should be a subject of a bigger project for which proposals should be invited from a number of reputable companies. ANGUS should then apply or submit proposals for consideration.



D P KARI
Acting Deputy Secretary

DEVELOPMENT PROPOSAL - BONUA/GADAI SUA . SALIENT FEATURES OF PROPOSAL

1. LOG HARVEST OF 120,000M³/YR
2. SAWMILL WITH CAPACITY OF 60,000M³/YR LOG IMPORT TO BE ESTABLISHED IN YR. 2
3. INVESTMENT K6 MILLION
4. EMPLOYMENT 350 PEOPLE
5. TOWNSHIP OF 800 PEOPLE
6. 8,000 HECTARES OF LAND TO BE DEVELOPED FOR AGRICULTURE

B . COMPANY PROFILE

ANGUS (PNG) PTY LTD INCORPORATED ON 13/9/85

AIM TO CO-ORDINATE - PLANNING
- MANAGEMENT
- FINANCE
- MANPOWER

FOR DEVELOPMENT PROJECTS IN PNG ON A JV BASIS WITH LANCO.

- 2 -

SHAREHOLDERS

1 .	ANGUS SINGAPORE	-	20%
2 .	F C CHEAH	-	5%
3 .	J KASAIPOLOWA	-	40%
4 .	A DIRO	-	35%

PAID UP CAPITAL IS K10,000 @ K1

PRE-OPERATIONAL COSTS INCURRED BY ANGUS PNG SINCE
SEPTEMBER 1985 IS OVER K100,000.

A SITE 100 HECTARES IN SIZE IS REQUIRED FOR CO.
OFFICES AND INDUSTRIAL COMPLEXES.

TOTAL AREA	-	74,400	HECTARES
PRODUCTIVE	-	58,500	"

FOREST RESOURCE

RECCE LEVEL ONLY. MORE INTENSIVE SURVEY IS THEREFORE
REQUIRED .

	<u>LRF</u>	<u>HRF</u>	<u>&</u>	<u>VOL</u>
MAGARIDA	23,900 HA	43,700 HA	67,600 HA	(1.48M)
GADAI SU	10,000 "	6,000 "	<u>16,000</u> "	(330,000)
			83,600 "	

PROPOSAL BASED ON 1.52 MILLION M3 .

- 3 -

VALUABLE SPECIES BREAK DOWN - GADAI SU

1A	R/WOOD	39,480M ³	1900
	WALNUT	16,920 "	-
	POMETIA	86,710 "	4790
	CANARIUM	24,400 "	-
	ERIMA	67,870 "	-
	HOPIA	12,220 "	3450
	ANISOPTRA	10,000 "	2570
		<hr/>	<hr/>
		257,600 (206,080)	12,719M ³ (10,168)

2B	R/W	4120	
	W/N	1410	TOTAL B/LOG VOLUME
	P	28,590	= 554,030M ³
	ANIS	12,410	
	KW	4960	
	CAN	4070	
	TERM	4560	TOTAL OF ABOVE SPECIES
		<hr/>	= 264,304M ³
		60,070	= 47%
		(48,056)	

- 4 -

R/WOOD	-	36,400m ³	(6%)	- BAN EXPORT OF R/WOOD
POM	-	96,072 "	(17%)	
ERIMA	-	54,296 "	(9%)	
ANIS	-	19,984 "	(3%)	
HOPEA	-	12,536 "	(2%)	
W/N	-	14,664 "	(2%)	
CANARIUM	-	22,776 "	(4%)	
KWILA	-	3,968 "	(1%)	
TERM	-	3,648 "	(1%)	
TOTAL		= 264,344	(47%)	

PRODUCTION FOR YEAR 1 = 80,000m³
 YEAR 2-13 = 120,000 "

AVERAGE COST OF PRODUCTION = K33/m³
 EXPORT = 38/m³

FINANCING

LOAN TO BE FROM SHAREHOLDER/COM. LOAN

AMOUNT OF K5 MILLION AT DEBT: EQUITY RATIO OF 1:1

- EQUIPMENT FUNDING/LEASING
- OPN AND INFRASTRUCTURAL DEVELOPMENT FUNDING

SAWMILLING

NEAR MILL PORT HARBOUR OR AROUND THE VICINITY OF MAMAI ESTATE.

- ~~Flexibility~~ CALL FOR BETWEEN SAWMILLING AND EXPORT TO BE SERIOUSLY CONSIDERED.
- MARKET FOR SAWN TIMBER
LOCAL MARKET CANNOT ABSORB PROB. WHAT ARE PLANS?
- LOAN FINANCING FOR SAWMILL FROM SHAREHOLDER OR FROM A COM LOAN. AMOUNT OF K3,200,000 AT DEBT: EQUITY OF 3:1.
- DEVELOP 8,000 HA WITH MAMAI ESTATE TO BE THE NUCLEUS ESTATE.

BONUA - MAGARIDA TRP

A _____ - WOWOLO IS 6,022 HA.

ADDITIONAL AREAS OF 23,100 HA WEST OF BONUAMAE.

EQUIPMENT & INFRASTRUCTURE FIELD INVESTMENT COST

LOGGING	-	K 2. 1	MILLION
ROADING	-	K 1. 43	MILLION
LOG POND	-	.	255
W/SHIP	-	.	12

- 6 -

INFRASTRUCTURE - . 33

4.251 MILLION

ACCOMODATION - 0.2

DEPRECIATION PERIOD OF FIVE (5) YEARS.

MANPOWER FOR YEAR 1 (147)

	N	E	S	
	-	-	-	
LOGG	63	8	71)
ROAD	31	3	34) ESTIMATED TOTAL
L/POND	20	1	21) BY YEAR 2
W/S	8	1	9) WILL BE 236
OF	11	1	12)
S/MILL	67	22	89	
	200	36	236	

TO:

A/DEPUTY SECRETARY

350-10-1

File No. 345-15-1

Date 27 January 1986

MINUTE

SUBJECT

ANGUS (PNG) PROPOSAL - GADAI SU TRP AREA, CENTRAL PROVINCE

I acknowledge receipt of your Minute dated 17/1/86 on the subject matter.

It is my intention to make a definite recommendation to the Minister for Forests for the issuance of a Timber Permit to Angus (PNG) Pty Ltd over the Gadaisu TRP area soon after my return from Sarawak. I'm scheduled to be back in PNG next Monday the 3 February.

I would like to request that you have another look into the Company's proposal and advise of the best possible course of action to take, given the intention to issue a Timber Permit to Angus (PNG) Pty Ltd.



O MAMALAI
Secretary for Forests.

cc 01

cc E1

PAPUA NEW GUINEA

TO:

H

Date 30 January 1986

MINUTE

File No. 350-10-1

SUBJECT

PROPOSED GADAIKU TIMBER PROJECT

1. INTRODUCTION

On 20 December 1985 the Secretary wrote to Angus (PNG) Pty Ltd inviting that company "to submit to this Department a development proposal over the Gadaisu TRP area". The company was advised that it was expected that its proposal would be "consistent with the 1979... Policy" and that the "Department's Content and Format Specifications booklet" would be "used".

A proposal from Angus (PNG) Pty Ltd, dated 13 January 1986, was received by this Department on or before 17 January 1986 on which date the writer was requested by the a/Deputy Secretary to appraise the proposal and provide comments.

2. SHAREHOLDING(a) Angus (PNG) Pty Ltd

According to a search undertaken at the Registrar of Companies' Office on 29 January 1986, Angus (PNG) Pty Ltd was formerly Boomi No. 93 Pty Ltd which was incorporated on 6 February 1985, reference C10442. The initial 2 (subscriber) shares were issued to S. Lewin and H. Chalmers of Gadens who were also the only directors of the company. On 19 September 1985 the company's name was changed to Angus (PNG) Pty Ltd, the name change being approved by the Registrar on 30 September 1985. Also on 19 September 1985 Lewin and Chalmers were replaced by J. Kasaipwalova and G. Kassman as directors. The company's registered office is given as Appartment 502, Pacific View Appartment, POM.

According to Section 2.1.3 of the proposal the shareholders of Angus (PNG) Pty Ltd are:-

Angus Investment Pte Ltd (Singapore)	20%
Mr. F.C. Cheah	5%
Mr. John Kasaipwalova	40%
Mr. Anthony Diro	35%

 100%

with a paid up capital of 10,000 K1.00 shares. This information is not in accordance with the Registrar's records which may not necessarily be up to date.

A telephone conversation with J. Kasaipwalova on 29 January 1986 indicated that the company's solicitors, Gadens, would shortly be submitting to the Registrar the necessary documents regarding the new shareholding structure. Kasaipwalova was requested to advise Gadens to simultaneously submit copies of such documents to this Department.

(b) Angus Joint Venture Pty Ltd

According to Section 2.1.5 of the proposal, Angus (PNG) Pty Ltd owns 75% of Angus Joint Venture Pty Ltd which was incorporated "as the corporate vehicle to provide finances, management and marketing" for the proposed timber project. However, according to the Registrar's records, Angus Joint Venture Pty Ltd has 2 (subscriber) shares issued to Lewin and Chalmers who are the company's only directors.

3. EXPERIENCE AND EXPERTISE

There is nothing in the proposal to indicate that Angus Joint Venture Pty Ltd, Angus (PNG) Pty Ltd or Angus Investment Pte Ltd (Singapore) have any experience or expertise in the timber industry. According to Section 2.2 of the proposal the "Angus Group" trades in timber and "is presently negotiating for timber concession in Papua New Guinea". In the same section it states that F.C. Cheah, Executive Director of Angus (PNG) Pty Ltd, has been "involved in ... construction and contracts relating to ... timber complexes".

4. FINANCIAL STATEMENTS

A Profit and Loss Statement for the 6 months ending 30 September 1985 and a Balance Sheet at that date, both regarding "the Group", are included in the proposal.

5. REGISTRATION

In accordance with a previous NEC decision, a foreign party should be registered with this Department before specific timber projects can be discussed. Angus Investment Pte Ltd (Singapore) should be requested to apply for registration. The information supplied in the proposal is insufficient to permit such registration to take place in the absence of an application in accordance with the registration scheme.

6. PROJECT STRUCTURE

Although not explicitly stated in the proposal, it appears from the abovementioned telephone conversation with J. Kasaipwalova that the intention is that a permit will be issued to Angus (PNG) Pty Ltd which will then enter into a sub-contract with Angus Joint Venture Pty Ltd which will actually undertake the project.

3.

7. POLICY

According to Section 1.2.1 the proposal "is submitted generally in accordance to the Revised National Forest Policy 1979 Part 3: Guidelines for Enterprises Involved in Timber Processing".

Under Section 3.2 of Part 3 the Government "seeks investment in timber processing by firms who have had extensive experience with processing operations comparable to that they propose in Papua New Guinea. The appropriate investor will be able to demonstrate a record of profitable and efficient timber processing activities, will have had experience in forest products marketing, and will have the financial capacity to undertake the proposed venture".

On the basis of the proposal, Angus (PNG) Pty Ltd could not be considered as an "appropriate investor".

8. FORMAT AND CONTENT SPECIFICATIONS

The proposal does not comply with the "Specifications" provided, particularly with regard to financial projections.

9. RECOMMENDATIONS

- (a) Angus Investment Pte Ltd (Singapore), and any other unregistered foreign party interested in an involvement in the project, should apply for registration with this Department;
- (b) assuming registration takes place, the project structure and scope should be discussed by the relevant parties (registered parties, Provincial Government, Forests and landowners' representatives); and
- (c) assuming the project structure can be agreed upon, the proposed permit holder should formulate and submit a proposal in accordance with both the Policy and the Specifications and any other guidelines formulated by this Department.



TO: SECRETARY

Date 4 February 1986

MINUTE

File No. 350-10-1

SUBJECT BONUA-MAGARIDA-GADAI SU TIMBER AREA PROPOSAL BY ANGUS (PNG) PTY LTD

The proposal which was submitted by Angus (PNG) P/L was evaluated and I provide the following comments for your consideration and a definite recommendation to the Minister as you indicated in your minute 350-10-1 of 27th January 1986 to me.

At the outset I wish to state that I have always wanted to see some efficient timber industry in the Central Province, particularly the Bonua-Magarida Timber Area and I expressed this view to Magi Wopten representatives on many occasions and to the Secretary of Department of Central. I expressed this view when Mr Diro (Minister) was still in the Opposition and came to discuss the project with John Kasaipwalova and F.C. Cheah. With this view I evaluated the proposal with an open mind to determine whether the proposal offered any development package for the area. The ideal type of development I was thinking of would comprise the following:-

- (a) A large Sawmill - 60,000 - 100,000^{m³} log input
- (b) Follow-up landuse both agriculture and reforestation
Forest Plantation alone could be up to 15-20,000 ha.
- (c) Infrastructure - Extending the Magi Highway
 - Bridges
 - Feeder roads to villages.
- (d) A level of log exports to compensate the developer for the provision of roads and bridges and the follow up landuse projects.

With this concept of resource development the ANGUS Proposal was appraised. In the comments provided hereunder I have taken into account the comments given by Mr G. McNeil on his minute dated 30/1/86.

1. I maintain my earlier comment to you that the company has not followed your request for a proposal over Gadaisu. Instead they have decided to force the allocation of Bonua-Magarida by including it in this proposal. This is a tactic we should not entertain. If we do, we are creating a very serious precedent and it will be hard to prevent other companies following likewise.
2. ANGUS (PNG) has not registered with the Department of Forests. ANGUS (PNG) is a subsidiary of the ANGUS Group of Companies although it has 25% Foreign equity and 75% PNG. Before we deal with them they should be requested to provide details so that we can consider them for registration.
3. Of the national shareholders of ANGUS Mr Anthony Diro holds 35%. This creates a conflict of interest for the Minister. This matter has to be brought to the attention of the Minister if he is not aware of it. Anthony maybe the Ministers brother, son or relative. The Minister needs to clear this first.

2.

4. Project Company

In the proposal the permit holder is ANGUS (PNG) which will engage ANGUS Joint Venture (AJV) as Contractors and Managers. AJV have no expertise to offer management to ANGUS and the Shareholding of AJV is not clear. LANCO is mentioned as one of shareholders of AJV but there is no mention of the Shareholding of LANCO in the proposal.

5. Expertise of ANGUS and Associates

There is no mention of ANGUS experience in logging, marketing and management. The argument that "they can buy these" doesn't always apply in all cases. We have bent backward many times on these very crucial requirements and allowed operations at the expense of an efficient and profitable timber industry.

We should always require that companies produce evidence of their track record of Management and Marketing experience in the timber industry. I realise that where we have National companies we cannot expect the same experience and expertise but at least their partners should have these. very important requirements.

6. Options

In view of above comments and those provided by Mr McNeil I think the options are:-

- (a) Reject the proposal outright
- (b) Reject the present proposal but ask the Company - ANGUS (PNG) Pty Ltd to:-
 - (i) register with the Department of Forests
 - (ii) provide details of shareholding of LANCO and ANGUS Joint venture.
 - (iii) Submit a fresh proposal over only the Gadaisu TRP.
- (c) Accept the proposal and negotiate an agreement over the Bonua-Gadaisu Timber area as proposed.
- (d) Reject the proposal, draw up guidelines and invite proposals over the Bonua-Gadaisu Timber Area from prequalified companies in which case ANGUS (PNG) will not be qualified.
- (e) Accept the proposal but the permit holder be the landowner company in which case 'LANCO' and LANCO can decide whom they wish to engage as managers/contractors. This will mean LANCO needs to be properly established. In the proposal there is no indication of the shareholders of LANCO.

7. Recommendation::

I would recommend that the Department rejects the proposal outright. However, in order to establish a timber industry in the Bonua-Gadaisu area, I would further recommend that:-

- (a) A set of specific guidelines be immediately drawn up.
- (b) The guidelines be issued in February 1986 to prequalified Companies

to submit proposals by May, 1986.

- (c) A project agreement be finalised by July 1986 and operations No. 350-10-1 can commence in September 1986.

h@shu

D.P. KARI
Acting Deputy Secretary.

the attached and I
and a definite
estimate 350-10-1

[Handwritten signature/initials]

the attached and I
and a definite
estimate 350-10-1

20/1/86

... If we are to proceed with the project, we must first of all ensure that the necessary approvals are in place. This includes obtaining the necessary permits from the relevant authorities. We must also ensure that the project is financially viable and that we have the necessary resources to carry it out. The project should be approved by the relevant authorities and we should be able to proceed with it as soon as possible. We should also ensure that the project is in line with the relevant regulations and that we are following the correct procedures. We should also ensure that the project is in line with the relevant regulations and that we are following the correct procedures. We should also ensure that the project is in line with the relevant regulations and that we are following the correct procedures.

... The project is a joint venture between the Government and the private sector. The Government holds 35% of the shares and the private sector holds 65%. This matter has been brought to the attention of the relevant authorities and they have agreed to proceed with the project. The project is a joint venture between the Government and the private sector. The Government holds 35% of the shares and the private sector holds 65%. This matter has been brought to the attention of the relevant authorities and they have agreed to proceed with the project.

TO: A/DEPUTY SECRETARYDate 11 February 1986**MINUTE**

350-10-1

SUBJECT

PROPOSED DEVELOPMENT OF THE GADAI SU TRP AREA, CENTRAL PROVINCE BY ANGUS

(PNG) P/L

^{F119-121} I refer to your Minute of 4/2/86 and that of E2, ^{F115-117} dated 30/1/86, both relating to the subject matter.

In the above referred Minutes, you have adequately pointed out existing policies and procedures guiding the establishment of new timber projects in PNG. I have given due considerations of these policies and procedures together with other comments you have submitted. However, knowing that such policies and procedures were meant to be means to an end and not as ends in themselves, and with my own conviction that if the PNG timber industry is to be less dependent on one type of export product, less dependent on a limited number of market outlets, and if it is not to be dominated by one source of investment in say 3-5 years' time, the time to act is now especially when the industry is still in its infancy stage and the total log export volume is still relatively small.

We need to further build now a broad base for investment, market outlets and the range of products for export. I feel one way of attempting this is to work through some companies whose countries of origin e.g. Malaysia, Singapore and maybe Indonesia have many years ago had similar experience as PNG is going through now and in the near future. For the above considerations, it is my intention that the Department takes some highly selective approach in considering the entry of new foreign investors to PNG.

In line with this general direction, I have decided to recommend that a Timber Permit be issued to Angus (PNG) P/L initially over the Gadaisu TRP area only. The Permit would have as its main conditions the following:-


1. Duration of 5 years. This is to be changed if and when the Bonua/Magarida is included as part of the single block.
2. Log Harvest of 120,000 m3/yr
3. Local Processing of not less than 50,000 m3/yr *Viewed as 30,000*
4. Log export of not more than 70,000 m3/yr
5. Construction and operation of a sawmill with a log input Capacity of 60,000 m3/yr
6. Construction of portion of Magi Highway on alignment to be set by Government within the Concession area.
7. Agriculture nucleus estate and small holder.

The above points can be further developed if considered desirable.

.../2

MINUTES

Please have a Timber Permit prepared using the above details as the core of the terms and conditions and have a draft ready for our discussion by the 28 February 1986!


O. MAMADAI
Secretary

cc 01

cc E2



ANGUS
(PNG) PTY. LTD.

Angus Pty. Ltd.
Suite 502, Pacific View,
PO Box 2755
Boroko,
Papua New Guinea,
Tel (675) 258237
Telex NE 23341

25th February 1986

CONFIDENTIAL

The Hon. E.R. Diro, MP,
Minister for Forests,
Hohola.


My dear Minister,

Following points are kindly brought to your attention for
actions you see best fit:

- 1) Our financial negotiations in Singapore hinge on the conditional clause confirming the extension of the Gadaisu TRP into Bonua/Magarida. Financiers insist that the 5 years on Gadaisu alone doesn't make viable for investment. Some firmer wording maybe in one of the clauses of the Permit will enable us to complete financing packaging.
- 2) While I'm away both Lois and Tessie will man the office, and they know exactly what to do when the telex and the permit are issued.
- 3) Miskus asks kindly if you could see the telex he sent you yesterday.
- 4) Miskus says that he was defeated in FIC to get endorsement from the other members to endorse his nominations of Professor J. Waiko and myself for recommendation to Board of FIC. Suggests that the Minister make the final appointment as he sees fit.

I will see you on Tuesday.

Yours sincerely,


John Kasaipwalova,
Director,
Corporate Planning
and Development.

FEB 25 1986 1200

ANGUS PNG NE23341

FOREST NE22360

MANAGING DIRECTOR

ANGUS (PNG) LTD

DEAR SIR

ISSUE OF TIMBER PERMIT - GADAI SU TRP AREA

PLS BE ADVISED THAT THE MINISTER FOR FORESTS, HON. TED DIRO HAS APPROVED THE ISSUANCE OF A TIMBER PERMIT TO ANGUS (PNG) LTD OVER THE GADAI SU TRP AREA. ALTHOUGH THE DURATION OF THE PERMIT WILL BE 5 YEARS INITIALLY, IT IS OUR INTENTION THAT THE PERIOD WILL BE REVIEWED AND EXTENDED TO 10 YEARS UPON ACQUISITION OF BONUA-MAGARIDA BLOCK.

THE TRP IS NOW BEING PREPARED AND WE HOPE TO FINALISE A DRAFT FOR CONSIDERATION BY THE MINISTER BEFORE THE END OF FEBRUARY 1986.

RGDS.

O MAMALAI

SECRETARY

ANGUS PNG NE23341

FOREST NE223600000

FEB 25 1986 1607

0

ANGUSPNG NE23341

FOREST NE22360

FROM: MINISTRY OF FORESTS

TO: ANGUS (PNG) PTY LTD

SUBJECT: GADAISU TRP

I CONCUR WITH THE TLX FROM SECRETARY DEPT OF FORESTS ON ABOVE
SUBJECT: FURTHER, BONUA MAGARIDA TRPS ARE EXPECTED TO BE
FINALISED WITHIN 6 MONTHS WHEREUPON I WILL ALLOCATE THESE TWO
ADDITIONAL AREAS TO ANGUS (PNG) PTY LTD.

IN VIEW OF MY GOVT'S DESIRE TO SEE FOREST INDUSTRY AS ONE OF MAIN
ENGINES FOR GROWTH, CABINET ANXIOUS TO KNOW YOUR LIKELY DATE OF
COMMENCEMENT OF DEPLOYMENT.

KIND REGARDS

TED DIRO, MP

MINISTER FOR FORESTS.0

ANGUSPNG NE23341

FOREST NE223600000

MEMORANDUM

B737

TO The enclosed Memorandum was sent with Chan Leng Wai to the New Present Worth of this Timber concession. There may be a difference of opinion that Option 2 may be selected from near 4 onwards as by that time all the instructions and sawn timber requirements have been met. To handle all the sawn timber, Ronnie Sim, a representative of Angus, basing on Option 2 using the weighted average of 60% for Option 1 and 40% for Option 2 March 1986 concession to be processed and sold on a 60% return on investment.

RE FOREIGN EQUITY PARTICIPATION IN PROPOSED TIMBER COMPANY - ANGUS JOINT VENTURE PTY LTD

Angus (PNG) Pty Ltd is a company incorporated in PNG. It is a subsidiary of Angus, Ltd. The management of Angus, Ltd. is responsible for the management of Angus, Ltd. in PNG.

1. The Minister of Forests of PNG has issued the Timber Permit to Angus (PNG) Pty Ltd for the Gadaisu TRP Area. This Gadaisu TRP is projected to sustain a logging operation for five years with an annual logging capacity of 120,000 cbm.
2. During the next six months and after the completion of all necessary governmental procedures, the PNG Government through the Minister of Forests shall acquire the Bonua and Magarida TRP Areas from the landowners and shall then issue the Timber Permit of these two TRP Areas (TRP - Timber Rights Purchase) to Angus (PNG) Pty Ltd. See copies of telexes from the Secretary of Forests and the Minister of Forests.
3. One of the conditions of this Timber Permit amongst other terms and conditions, is that Angus (PNG) Pty Ltd shall incorporate the Angus Joint Venture Pty Ltd (AJV) specifically to undertake the logging operations and to invite the traditional landowners from these areas to acquire a 25% share in this company with the remaining 75% to be owned by Angus (PNG) Pty Ltd.
4. The total timber stand in the Gadaisu-Bonua-Magarida timber concession has about 1,520,000 cbm of commercial timber which shall be systematically logged over a plan period of 13 years. The logging and sawmilling operations require a projected capital outlay of US\$4,138 and US\$1,850 millions respectively. Angus submitted the proposal for 785,000 cbm in log sales and the balance of 735,000 cbm to be processed in the sawn timber with a 60% recovery rate.

EX68(32)

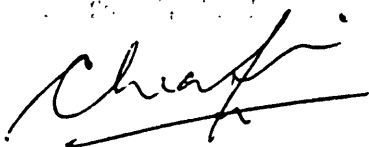
34

B738

.../2

TIMBER CONCESSION

- 5 The enclosed financial analysis with Options 1 and 2 shows the Nett Present Worth of this timber concession. There may be a distinct possibility that Option 2 may be exercised from Year 4 onwards as by that time all the infrastructures and sawn timber markets may be fully developed to handle all the sawn timber. Nevertheless a conservative assessment basing on Option 1 using the weighted average of 80% for Option 1 and 20% for Option 2 shows the concession to be worth about US\$15 million on a 25% return on investment.
- 6 AJV proposed to have a call-up of US\$3 million with the balance to be financed by banks, i.e. 1:1 basis. Subject to the agreement of the Management of Angus, I am proposing that with the call-up and issue of 3 million shares at US\$1 per share the 600,000 shares representing 20% of the total equity be offered to the investor from Shaanxi for US\$3 million. This reflects the nett present worth of the concession basing on the weighted average of Option 1 and 2. Please proceed with the negotiations with the Shaanxi party.



F.C. CHEAH

encs.

042/FCC/LL

E168(32)

34

CONCESSION @	10%	2,447,132	51,921,013	53,943,013
CONCESSION @	22%	10,553,163	30,907,354	15,427,001
CONCESSION @	25%	12,734,828	24,717,383	15,177,339

B739

PRESENT WORTH OF TIMBER CONCESSION

TIMBER CONCESSIONS - PNG

Expected rate of return

(IN US DOLLARS)

NET PRESENT WORTH	WEIGHTED AVERAGE	
OPTION 1 (1/2 log to be export & 1/2 sawn timber)		
=====		
LOG SALES PROFIT - 785000 CU METRE	@ \$107	7,850,000
TIMBER SALES PROFIT -		
60% OF 735,000,000 CU METRE	@ \$130	57,330,000
		=====
		65,180,000
		=====
OPTION 2 (1st 18 months log, remaining sawn timber)		
=====		
LOG SALES PROFIT - 180,000 CU METRE	@ \$10	1,800,000
TIMBER SALES PROFIT -		
60% OF 1,340,000,000 CU METRE	@ \$130	104,520,000
		=====
		106,320,000
		=====

EX68(32)

34

	OPTION 1	OPTION 2	WEIGHTED AVERAGE
CASH FLOW OVER 13 YEARS	65,180,000	106,320,000	
CASH FLOW PER YEAR	5,013,846	8,178,462	
INITIAL OUTLAY	6,168,000		
NET PRESENT WORTH OF CONCESSION @ 10%	29,447,135	51,926,525	33,943,013
NET PRESENT WORTH OF CONCESSION @ 20%	16,558,163	30,902,354	19,427,001
NET PRESENT WORTH OF CONCESSION @ 25%	12,784,828	24,747,383	15,177,339

PROPOSAL TO SELL A SHARE OF THE TIMBER CONCESSION IN PNGEXPECTED PRESENT WORTH OF TIMBER CONCESSION

At an expected rate of return on investment of 25% :

	NET PRESENT WORTH	WEIGHTED AVERAGE	EXPECTED NET PRESENT WORTH
OPTION 1	US\$ 12,784,828	80%	US\$ 10,227,862
OPTION 2	US\$ 24,747,383	20%	US\$ 4,949,477
			<hr/>
			US\$ 15,177,339
			=====

OWNERSHIP AND FINANCE

Angus Joint-Venture Pty Ltd was incorporated to own the timber concession. 3 million shares at US\$ 1 each will be issued to finance the project. Angus (PNG) Pty Ltd will own 75% of these shares. The remaining US\$ 3.1 million of the initial outlay will be raised through loans from bankers.

*shows
K3m*

SALES OF 20% INTEREST

We are willing to sell 20% of the shares in Angus Joint-Venture Pty Ltd (ie 600,000 shares) to any interested investors for US\$ 3 million.

NO OF SHARES ISSUED 3,000,000

PRESENT WORTH OF CONCESSION TO BE US\$ 15,000,000

VALUE PER SHARE 5/-

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B-7

MEMORANDUM

FEB 25 1986 1200

TO
ANGUS PNG NE23341
FOREST NE22360
CC
MANAGING DIRECTOR
ANGUS (PNG) LTD

Chan Leng Wat

F. C. Cheah

Mohamed Abdulaziz bin
Romeh bin

1 March 1986

DEAR SIR

FOREIGN EQUITY PARTICIPATION IN PROPOSED
TIMBER COMPANY - ANGUS JOINT VENTURE PTY LTD

ISSUE OF TIMBER PERMIT - GADAIKU TRP AREA

Angus (PNG) Pty Ltd for the GadaiKU TRP Area. The TRP is
PLS BE ADVISED THAT THE MINISTER FOR FORESTS, HON. TED DIRO HAS
APPROVED THE ISSUANCE OF A TIMBER PERMIT TO ANGUS (PNG) LTD OVER THE
GADAIKU TRP AREA. ALTHOUGH THE DURATION OF THE PERMIT WILL BE
5 YEARS INITIALLY, IT IS OUR INTENTION THAT THE PERIOD WILL BE
REVIEWED AND EXTENDED TO 10 YEARS UPON ACQUISITION OF BONUA-MAGARIDA
BLOCK.
Pty Ltd. See copies of telexes from the Secretary of Forests
and the Minister of Forests.

THE TRP IS NOW BEING PREPARED AND WE HOPE TO FINALISE A DRAFT FOR
CONSIDERATION BY THE MINISTER BEFORE THE END OF FEBRUARY 1986.
The logging operations and to invite the traditional landowners
from these areas to acquire a 25% share in the company with the
remaining 75% to be owned by Angus (PNG) Pty Ltd.

RGDS.
O MAMALAI The total timber stand in the Bonua-Magarida TRP
SECRETARY'S concession has about 1,520,000 cfm of c
shall be systematically logged over a
ANGUS PNG NE23341 logging and sawmilling operations r
FOREST NE22360 US\$4.138 and US\$1.890 activities
submitted the proposal for 785,000 cfm
of 735,000 cfm to be processed in the s
recovery rate.

EX68(32)

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ance

Attention: F.C. Chubb

Further telegrams received

24. 1200

P. 123341

P. 123360

FEB 25 1986 1607

DIRECTOR

ANGUSPNG NE23341

FOREST NE22360

FROM: MINISTRY OF FORESTS

GADAIKU TRP - GADAIKU TRP AREA

TO: ANGUS (PNG) PTY LTD

SUBJECT: GADAIKU TRP THE MINISTER FOR FORESTS

A TIMBER PLANET TO BE THE
A THROUGH THE LOCATION OF THE

I CONCUR WITH THE TLX FROM SECRETARY DEPT OF FORESTS ON ABOVE
SUBJECT) FURTHER BONA MAGARIDA TRPS ARE EXPECTED TO BE
FINALISED WITHIN 6 MONTHS WHEREUPON I WILL ALLOCATE THESE TWO
ADDITIONAL AREAS TO ANGUS (PNG) PTY LTD.

NOW BEING PREPARED AND WE ARE TO

IN VIEW OF MY GOVT'S DESIRE TO SEE FOREST INDUSTRY AS ONE OF MAIN
ENGINES FOR GROWTH, CABINET ANXIOUS TO KNOW YOUR LIKELY DATE OF
COMMENCEMENT OF DEPLOYMENT.

KIND REGARDS

THE DIR, MP 3341

MINISTER FOR FORESTS

ANGUSPNG NE23341

FOREST NE223600000

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HAGI HOPIER DEVELOPMENT PERMIT

P.O. Box 16,
Magarida,
Central Province

21st April 1986

Honourable E.R. Divo, MP,
Minister for Forests,
P.O. Box 5055,
Behla.

Honourable Minister,

Proposed Timber Permit

No. 3-22

We write to thank you and your Department for allowing us to study and discuss the proposed Timber Permit No. 3-22 through Angus (PNG) Pty Ltd before your final signature is effected.

We are grateful to the Secretary's positive contributions to the small amendments which our representatives have recommended. However, we as landowners' company with rights to 25% of Angus Joint Venture Pty Ltd are concerned with the financial implications to us if the permit does not include a clause for further granting of the Bonua/Magarida TRP.

As you are aware the project proposed will cost approximately K6 million, of which K3 million shall be equity and K3 million bank loan finance in gearing ratios of 1:1.

The financial analysis enclosed will show you how Angus Joint Venture Pty Ltd proposed to raise K3 million in equity finance by selling off only 20% of the Angus (PNG) Pty Ltd allotted proportions to a third party investor.

The success of such financing depends on the formal inclusion of your telex and the Secretary's telex, both dated 25th February 1986 in a clause of intent within the Timber Permit No. 3-22.

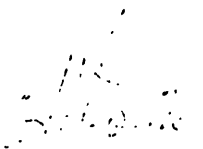
Without that clause we feel that our equity rights of 25% may be diluted greatly and may even require us to have to raise approximately K750,000.00 as share contribution.

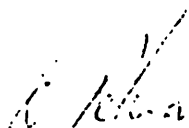
..21..

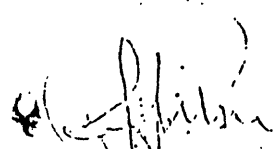
The clause of intent should be related to further granting of the Bonua/Magarida TRP. As landowners representatives we kindly urge your department to include this special clause so that the long term financial interest of the company may be secured now.

We trust your early attention, and remain,

Yours faithfully,
MAGI WOPIEN DEVELOPMENT PTY LTD,


Fred Bonio
Chairman of Directors


Oreva Pekia
Deputy Chairman


Iyan Mara
Secretary

cc: Mr Oscar Namalai,
Secretary for Forests.



ANGUS

(PNG) PTY. LTD.

Fax Transmission

No.:

洪嘉投资有限公司
Suite 502, Pacific View,
PO Box 2755
Boroko,
Papua New Guinea,
Tel (675) 258237
Telex. NE 23341

Date: 17/3/86

File Ref.:

862

To: F.C. Cheah

From: John K.

Subject:

Hansard Draft
re J. Genias question

Find 5 pages following
of matter raised in
Parliament re Angus
on Friday 14/3/86.

hgd

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The question regarding a doctor to be posted to the Health Centre, doctors are sent to areas where there is a great demand for.

Mr Joel Paus - Point of Order! We have doctors but they are volunteer doctors, they come and go. I want a permanent doctor to be based there. This a colonial type Health Centre and all we ask for is a doctor.

Mr MICAH WES - I will not drag on the matter but I will follow up the letter and inform the Honourable Member of the outcome later.

Mr JACK GENIA - I wish to direct a series of questions to the Honourable Minister for Forests, Mr Ted Diro. However, I wish to briefly preface this by the following comments. Subsequent to his last State visit here, the Prime Minister of Malaysia Dr Mahatir hand picked Malaysian Overseas Investment Corporation as a crown agent of the Malaysian Government to assess investment prospects in order to promote and encourage Malasian business interests and investments in Papua New Guinea.

The former Prime Minister, Mr Michael Somare and a number of his former ministers including myself, were strongly supportive of this. Needless to say that the Honourable Minister Forests was also one of those who was closely involved. He was infact appointed to a working group on PNG side to co-ordinate activities and projects identified.

My questions are therefore as follows:

(1) Will the Minister explain and give reasons as to why a new company now called Angus PNG was established and is it not a fact that this company is Singapore based?

(2) Since the personnel engaged initially were employed by Malaysian Overseas Investment Corporation, is there any relationship between Angus PNG and MOIC?

(3) If the answer to question number two is yes, could the Minister explain this?

(4) If the answer is no, could the Minister kindly inform this Parliament and interested parties as to what will become of the projects, mostly Agro-Forests, including the so called Garden City Hotel of Waigani, identified under the banner of MOIC prior to the establishment of Angus?

(5) Could the Minister explain as to who the principles of Angus in Singapore are and furthermore for the benefit of my Abau people I would like the Minister to explain if in fact this company has any proven track record of operations in Agro-Forest and associated industries?

(6) Could the Minister also provide a list of countries in which parent company Angus has its investments and the types of investments and for how long?

(7) Is it or is it not true that the Minister has recently granted a 10 or 15 year timber and logging permit to Angus PNG or another company other than Magi Wopten, which is people's own company for the development of the Bonua-Gadaisu Timber Resource in Amazon Bay area of Abau District?

(8) Could the Minister kindly favour the people of Amazon Bay and this Parliament by explaining the rationale and logic behind his decision in granting the permit to Angus or another company and not Magi Wopten. However, if the permit is not granted yet,

(2)

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could the Minister advise me now so that I can in turn inform my constituents as to whom or what company he intends to ultimately grant the permit?

07/08

(9) Could the Minister further disclose the names of the directors and shareholders of Angus PNG?

(10) Could the Minister also disclose to this House as to exactly how much capital Anchors is injecting to this project and if it is not providing the total finance, then where is the rest of the funds coming from? In other words to present the financial package and investment plan on the project under Angus project?

(11) The Minister explain as to how the traditional land owners of Amazon Bay can be involved and the degree of their participation in this project.

(12) Is not a fact that the same company Angus has been negotiating the Steamships Trading for the take over of the ANG Timbers operations in Cape Rodney and Cloudy Bay areas again in Abau district?

(13) Since my personal representation on behalf of my people to his office in December last year, I wonder if the minister in fact did anything to stop negotiation any further with Steamships Trading Company?

(14) The Minister has not done this to stop Angus from meddling further with ANG Timbers, I would like him to advise them now to stay away because business or not this is done by deprivation of people's rights to participate in economic developments of their country especially in their own areas if the opportunities were available and the conditions were good?

(15) Will the minister deny or confirm that in the recent month he has receive numerous applicants from overseas especially from Singapore for work permits and visas for employment with Angus and the timber projects in Amazon Bay when this should be directed in the first place to the Ministry for Foreign Affairs and Trade and Industry.

Mr TED DIRO - Thank you Mr Speaker, in answer to the honourable member's series of questions. I take this opportunity also to inform the Parliament on the status of some of the projects which the previous Prime Minister initiated. But I think let me deal with the easier ones first.

The work permits question. I am personally not aware and also not involved. If they have been lodged by the Angus PNG, they would follow the normal procedures and I am sure that Minister for Labour and Industry could speak on that if he desires to.

First question, Angus PNG was previously part of Malaysian Overseas Investment Corporation to which the previous Prime Minister had very close friends who were involved in MOIC. When the Prime Minister of Malaysia visited PNG on the occasion of the opening of this Parliament and there were three projects, the then Prime Minister wanted Malaysia's assistance.

The first one was the Waigani hotel development, the second one was Angoram Wewak Timber. Since the Prime Minister could not get anywhere with his own Forest Minister and his own departments, I was asked to assist. I then became the leader of the

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task force trying to put up a financial package to try and provide a financial vehicle whereby we could attract some foreign investors to come and as part of the extension of Waigani, we could build about 300 hotel rooms development there.

The concept was to turn that into a convention centre because the then Prime Minister had asked the ACP/EEC Conference to be held in Papua New Guinea in 1987. So I was involved out of sense for duty for the nation when I was called upon to assist. I tried to assist firstly with the hotel project but the land was owned by the Consortium of Investors comprising of provincial governments. Because the land belonged to them and the then Prime Minister had wanted to turn this into a modern development which I was committed, we had some difficulties.

So the position with the hotel now is that I am a director on behalf of the people of Central Province on LMS Board of Directors which is the Win Mori. I am also the Director on behalf of Central people and Central Provincial Government on the State Holdings which is the company that is trying to develop this hotel project. Now there has been very little progress simply because of my involvement with the Forestry Ministry and I have had to rearrange my priorities so the project as it stands is that we have not advanced very further.

As to the question of Angoram Wewak Timbers, it is my wish that it go ahead because it is also the wish of the provincial government from East Sepik and we would like to start it off because it will provide employment for our people and meet some of the growing need for our timber in overseas countries.

The other question which honourable member raised is the connection between Angus and the MOIC. I would like to inform this Parliament that previously Angus was part of MOIC but because of the differences between the directors in the Malaysian Investment Corporation, they broke up and overseas business interest of what was then previously part of MOIC is now been taken over by this new group called Angus. Now Angus are sold in Japan, Hong Kong, Nigeria, London, New York, Papua New Guinea, Vanuatu and very shortly in Australia. The checks reveal that Angus is quite a reputable company and it has substantial standing amongst international business community in the world and I do not think that the honourable Member or myself should cast any doubts on the ability of the Angus PNG to perform.

I was the founding chairman of the Angus PNG but since my assumption of duties as Minister for Forest I have now handed that responsibility to the former Governor-General, Sir Tore Lokoloko who is now the Chairman of the Angus PNG and also a Director of Angus Singapore.

With regard to the timber permit, I would like to inform the Honourable member that the only timber permit that will be issued will be the Gadaisu Timber Rights Permit which is the property of our Government.

08/08

The people are getting paid rentals on that TRP. I must say that the Bonua and the Magarida section have not been completed. The only timber permit that will be issued will be on Gadaisu. That will be issued to Angus PNG. The Angus PNG will then go into joint venture with Magi Wopten and then they will develop that portion as part of agro-forest development. The intention is to use the cash flow from timber to generate money and create employment. Later on, they will then embark on either oil palm or

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cocoa development and there will a lot people involved and a lot of people will benefit out of this exercise.

The Honourable Member asked me what am I doing about the Steamships. The ANG operations in Cape Rodney have been having difficulties because of the modest operation of the company is not entirely suitable for making money. The operations, I believe are a little bit outdated and the machinery is also outdated. They have been trying to sell for sometimes now. It is purely a commercial venture. If Steamships want to sell Angus PNG, that is their prerogative, but because I was involved with Angus PNG, I have directed the Angus to discontinue dealings with the Steamships over the sell ANG Timbers.

I think that ANG Timbers is on the market and if the Honourable Member can package a deal and get the landowners together and if they can have some financial backing, I am sure I will be too ready to try and issue timber permits and also try and mortgage the resources they have against the loans they borrow from the bank. I am prepared to do that. We are extremely flexible. We would even give you flexibility to buy and capitalise on the market situations internationally. If the sawn timber prices are higher, we will increase the volume of sawn timber exports. If the logging prices are higher, we will also be equally flexible. The questions were quite lengthy and I hope that I have answered the Honourable Member's questions?

Mr Jack Genia - Point of Order! The questions in particular I would like have the Minister to kindly elaborate his answers on. Firstly, I would like the Minister to disclose a list of names of shareholders of Angus PNG and its directors.

Secondly, I would like the Minister to kindly explain his reasoning behind granting the permit to Angus PNG and not Magi Wapton which is people's own company?

Mr TEDI DIRO - I am not really too sure what the shareholders of Angus PNG are up to this point. I was asked to be a trustee on behalf of the people of Central Province to get involved in some equity participation. But because I could not come up the equity injection that was required at the time - I withdraw. I think that Angus PNG is trying to do the right thing by the people and I think that the latest was that the shareholding on behalf of Central Province will go to the Premier, Honourable Kone Vanuawaru. I think that is the latest decision. I need to check on that.

The other shareholders, Angus Singapore has 25 per cent. I think John Kasapitowa - he is a businessman, a well known poet, writer and quite a well known academic. He works for the company and I think he is also holding some shares. But as to the exact shareholding, I need to check that.

The reasons for giving the timber permits to Angus and not Magi Wapton. Magi Wapton is involved with the whole of Magarida people, which we decided to give timber permit to Angus because the property really belongs to the State of Papua New Guinea. Because of the numerous disputes that were occurring, had we not decided to give it to Angus PNG, people will still be fighting.

As the Honourable Member knows very well that this is one of the longest timber right purchase deals that the transaction took place almost 20 years ago, and people have been fighting and disputing the ownership. Unless the leaders step in and show the way and make decisions and really force the people to accept these decisions, no development will take place on the Papuan side. There has been far too many disputes, far too many jealousies and far too many ifs and buts and not enough action. There has been a lot of

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talk and I am not prepared to talk. I am prepared to act. I am going to issue more timber permits in Central Province. I am going to use the provisions provided by the Private Dealings Act to try and develop this province because a lot of people in the last 10n to 15 years have doing a lot of talking and not enough working.

Mr Tom Pais - Point of Order! Mr Speaker, with due respect to the Minister for Forest. The Minister is a Minister of State and he is not the Minister for Central Province and therefore I do not think it is right to issue licenses to the Central Province only and not provinces like Madang where there is timber.

Mr TED DIRO - Yes, I acknowledge very much. I am a Papua New Guinean and my portfolio is for everybody. I am concerned because I know the Member knows the background of the MOIC. He visited this area himself and he was looked after and he comes back here asks rhetorical questions.

Mr Jack Genia - Point of Order! Mr Speaker, I would like the Minister to refrain from unnecessary digressions to draw our attention away from the main issues concerned. Could he please answer the questions straight on?

Mr TED DIRO - If I in a way did hurt the feelings of my brother, I apologise for that. Later on we will soon know who is telling the truth and who is telling lies.

File: 170-2-0/151-3-22

REPORT ON LOG GRADING/LOGGING INSPECTION - ANGUS (PNG) PTY LTD

B85/

1. INTRODUCTION

A log grading and logging inspection was carried out on the above company's operation from 4th August till 8th August 1986 by Messrs M Waisime and E Toubu.

2. PURPOSE

The purpose of the inspection was to check grade the grading done by the company and also to inspect the company's logging operation.

3. LOG GRADING

3.1 Sample Grading

A sample of 140 logs containing some 459.696m³ (10% of total shipment of 4,000m³) was check graded. It was found that the company's grading was far too high. The following is the comparison between Angus and Forestry grading.

Grade	Angus	%	Forestry	%
SSP	3	2%	1	1%
SP1	71	51%	11	10%
SP2	44	31%	26	19%
SS1	19	14%	66	47%
SS2	3	2%	36	23%

It would appear from the above table that Angus has a high percentage of peeler graders (SP1, SP2) from our grading. This high percentage of peeler grade is hard to believe considering that fact that the company is concentrating on Rosewood and Taun. It was found out that out of 21 pieces of rosewood graded, 8 pieces were graded as peeler logs. This is a bit hard to believe because rosewood tend to have poor form and heart rot where as taun usually one would find fungus and brittle heart or even heart rot. It was found out during our discussion with the management that the person who was doing the grading was not measuring the defects to determine the correct grade of the logs. It was also revealed that this particular person has not been to a log grading course thus the high grading. After conferring with the management it was later revealed that the company has got a grader who has attended a log grading course but was engaged in logging operation. The company was told to engaged this person on log grading because he has attended a log grading course. This the company agreed to. Because of the high grading the company was ordered to regrade the whole shipment.

151-3-22
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3.2 Species Identification

It was also found out during the inspection that species are being misidentified. Species such as *Garcinia* (Kandis) was identified as *Nauclea* (yellow cheesewood), Mersawa as Mango and *Planchonella* as Pencil Cedar. The company was requested to be more cautious with their species identification and that if they are in doubt they should send wood samples to FPRC for identification.

3.2 Grade Marks

It was found that grade marks were also not exposed on the surface of the logs. The company was instructed to comply with rule 3.5.2 of the S.L.G.R. As with other companies, the log buyers instructed the company not to expose the grade marks on the logs.

4. LOGGING INSPECTION

A logging inspection was also carried out of the above company during our inspection. The following discrepancies were observed.

4.1 Excessive Log Waste

The amount of log waste found in the company's log ramps was unbelievable. There seems to be a tendency by just about all the logging operations that I have visited to dock logs unnecessarily. In a number of the log ramps visited, trimming of up to 3-5 metres of log is common. Such logs could be exported as SS2 or even SS3 but to my surprise it has been left in the bush to rot without being accounted for.

4.2. Unrecorded/Unmeasured Sawmill Logs

It was witnessed during the logging inspection that some 500-1,000m³ of sawmill logs have been left in the bush ramps unrecorded and unmeasured. The company was asked to explain as to why these logs were not measured. It was revealed by the company that they have not measured these logs because they have not got a sawmill as yet. The company was told that whether logs harvested for log export or sawmill all logs harvested must be accounted for so that royalties can be charged. The company agreed to measure all the sawmill logs in the bush ramps.

4.3 Obstruction to Streams

It was also observed during the inspection that the company is not observing condition 7(12) of TP 3-22. It was found that streams are being obstructed by forest produce and debris as a result of its road construction operation. The company was ordered to clear a blocked water stream during our inspection.

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MINUTE

4.4 Harvesting of Undersized Logs

There is also a tendency by the company in harvesting undersize logs. In some cases rosewood with diameters below 40cm has been harvested. This is in breach of condition 12(2) of ATP 3-22. The company was told to desist from harvesting undersized logs.

13 AUGUST 1986

5. RECOMMENDATION

170-2-0/151-3-22

I wish to recommend that:-

- (a) an urgent telex followed by a letter be send advising the company to desist from the above malpractices (attach)

PFO Central be advised to effectively monitor the company's operation.

- (c) PFO Central to be requested to measure excessive log waste and charge the company accordingly.

6. CONCLUSION

In conclusion I wish to advise that Angus (PNG) Pty Ltd logging operation is far from satisfactory. From my observation it would appear that the company lack logging experience. There is a lot of malpractice, especially in logging going on. This logging operation leaves much to be desired.


E.M. Toubu

Regional Forest Inspector - Southern Region

13th August 1986

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Report. noted

Pfo. despatched. Pfo. to be. n.

ALD

A/R 001

APPENDIX 35

ANGUS TRANSFER PRICING SCHEMES

This appendix summarises the various schemes, worked out by the principals of Angus (PNG) Pty Ltd and the Singapore parent company to ensure that part of the price received for log shipments would be received tax free in Hong Kong. It contains its own schedule of supporting documents.

The transfer price scheme was successfully applied only to the first shipment. It was firmly set in place for the second shipment and was in the final stage of preparation for the next six shipments when the F.I.C. was handed the task of managing Angus' marketing arrangements and the transfer price scheme was dismantled.

A. FIRST CONTRACT (forming part of second shipment)

1. The first contract for log sales by ANGUS (PNG) PTY LIMITED was entered with SANKO NAGOYA.
2. The first contract for 3000 m3 did not proceed by itself but was later combined with the third Contract with SANKO for 2500 M3 in order to make up one full shipment.

The combined first and third contracts with SANKO were for an aggregate 5500 m3 and this made up the second shipment. The first contract was thus preceded by the second contract which was used as the basis of the first log shipment. The combined first and third contracts were later rewritten between FLC and SANKO (to eliminate price transferring) and this was used as the basis for the second log shipment by Angus which was undertaken by FLC on its behalf.

3. The initial 3,000 m3 shipment was first offered in May 1986 (Sch. 01) with Rosewood offered at USD176-00/m3.

4. The first contract for the first shipment was renegotiated with SANKO NAGOYA between 2 June and 13 June 1986 (*Sch.02*) with Rosewood at a CNF price of USD165/m3.
5. Angus (PNG) kept Angus Singapore fully informed by faxing copies of all correspondence (*Sch.03*) and from as early as 7 June 1986 Singapore sought involvement and was suggesting back-to-back letter of credit arrangements (*Sch.04*).
6. The proforma letter of credit for SANKO was to ANGUS INVESTMENTS PTE LIMITED (*Sch.05 and Sch.06*) using a Hong Kong Bank account.
7. The SANKO order was placed with Angus (PNG) (*Sch.07*) for the full price. Though I say full price it is quite clear SANKO NAGOYA was a "middleman" and TONAN SANGYO was the real buyer and it is equally clear ANGUS knew this.
8. Angus Singapore arranged back-to-back letters of credit (*Sch.08*).
9. The original Letter of Credit from SANKO showed full CNF prices agreed and was in favour of Angus Investment's Account with the Bank of Credit and Commerce Hong Kong (*Sch.09*).
10. The prices were very low and even the Bank of Credit & Commerce pointed this out but it was explained away as being "an introductory price and is thus very cheap". The comparison is revelatory:-

SPECIES	FOB PRICE TO SANKO	FOB B.C.C. PRICE
ROSEWOOD	USD 144	USD 215
HAUNUT	USD 57	USD 85
TAUN	USD 61	USD 75
TERMINALIA	USD 61	USD 75

11. The first draft letter of credit from ANGUS INVESTMENTS to ANGUS (PNG) did not price transfer but reflected the true and full price in FOB rather than CNF terms ALL INCLUSIVE (including for freight). (*Sch.10*)
12. This "generosity" did not last long. When the actual letter of credit was established (see *telefax to PNG - Sch.11*) and bank term (*Sch.12*) the price agreed for the whole shipment was USD10/m3 less than the price in the letter of credit from SANKO to

ANGUS INVESTMENTS (Compare Sch.09 with Sch.11). This represents a total attempted price transfer of USD30,000.00 on a "half shipload" of 3,000 m3 and is almost a "standard" price transfer on evidence in hand.

13. SANKO refuses to accept a shortfall in Rosewood and Cheah holds meetings with SANKO and TONAN SANGYO to resolve this and future business (Sch.13). There are also problems securing a ship.
14. There are also problems with the Letters of Credit (Sch.14) because of delays and new letters of credit are suggested with ASIOFUNDS LIMITED of Hong Kong as the intermediary rather than ANGUS INVESTMENTS (Sch.15). John Kasaipwalova asks about this switch and is told "Will explain on phone". The back-to-back arrangement with ASIOFUND's is approved after discussion between Cheah and Koh; by fax of 4 September 1986 which also initiates discussions about a longterm contract for 6,000 m3 per month at a fixed price (Sch.16). The replacement Letter of Credit is sought from SANKO and the initial letter of credit is cancelled.
15. It is then decided and agreed that the first and third contracts should be combined and that a single letter of credit for both contracts will be established using ASIOFUNDS.
16. At about the same time as this however Cheah has learned how to use price manipulation based on the MEP and in his facsimile of 8 September 1986 he suggests an even larger price transfer of USD48,480 on this first contract (Sch.17).
17. The remaining material in relation to this first contract is continued under "C. THIRD CONTRACT" because the two contracts were combined.

B. SECOND CONTRACT (First Shipment)

1. The second contract between ANGUS and SANKO began with Cheah's meeting with SANKO and the true buyer TONAN SANGYO in July 1986. The quantity is 6,000 m3.
2. At the time offers from other buyers were current for Rosewood with Mr Cheah seeking USD195/m3 FOB (Sch.18 and 19) and Shin Achiyawa was offering USD110-150/m3 for over 60m/44-59cm/ under 49 cm (Sch.20).

3. In Angus' offer of 19 July 1986 to Sanko which included a 70% red clause in the letter of credit, Rosewood was priced at USD161.25/m3 CNF.

The offer was confirmed by PNG to SANKO (Sch.21) and by SINGAPORE to SANKO (Sch.22) but SINGAPORE directed in para.2 that the Letter of Credit be established in favour of ANGUS TRADING account with the Bank of Credit and Commerce Hong Kong.

4. Sanko's Order was again addressed to Angus (PNG) for the full price (Sch.23). Rather than using a red clause Sanko telegraphic transferred USD300,000 to Angus Trading at BCC Hong Kong and established a letter of credit for the difference. Angus (Singapore) informed Angus (PNG) on 13 August 1986 (Sch.24). This caused great problems to Angus (PNG) as only USD100,000 was sent on to PNG. The nature of those problems is set out in a pleading telex from Cheah to M A Ang (Sch.21).
5. Sanko established its Letter of Credit in favour of Angus Trading with BCC Hong Kong on 15 August 1986 (Sch.26). The full price (CNF) is USD578,400 less the advance of USD300,000 leaving the Letter of Credit with a value of USD278,400.
6. There are real problems apparent and Angus Singapore despite assurances, delays issue of the back-to-back letter of credit until the MEP is discussed and calculations worked out to meet an anticipated shortfall which they try to cover by an advance from SANKO.
7. Ultimately (pursuant to arrangements mentioned below) the back-to-back Letter of Credit from ANGUS TRADING to ANGUS PNG is established on 24 September 1986 (Sch.27).
8. The intended price transfer scheme is apparent from comparing Sanko's Letter of Credit to Angus Trading (Sch.26) with the Angus Trading Letter of Credit to Angus PNG (Sch.27).

SPECIES	SANKO/ANG(TRDG) CNF	ANG(TRDG)/ANG(PNG) CNF
Rosewood	USD 161.25	USD 117
Taun	USD 79.25	USD 80
Group 2A	USD 76.25	USD 77
Group 2B	USD 68.25	USD 66
Group 3	USD 59.25	USD 62

9. The Letters of Credit are based on theoretical volume, species mix and size mix and this is rarely met in fact. To ascertain the true price transfer one has to look at the invoices presented in negotiation of the Letters of Credit.

10. The invoice from Angus (PNG) to Angus Trading was for USD243,132.39 after deduction of freight (USD131,903.00) and the advance (USD100,000.00). (Sch.28)

The final invoice Angus Trading to Sanko showed a balance due after deduction of freight (USD131,903.00) the advance (USD300,000.00) and a discount (USD5,803.125) of USD102,877.03 (Sch.29).

11. There was always going to be a shortfall because Angus Trading received USD300,000.00 in advance; passed on only USD100,000.00 to Angus (PNG) and kept USD200,000. The actual shortfall turned out to be USD243,132.39
LESS USD102,877.03

USD140,255.36

This is USD59,744.64 less than the USD200,000 one would expect.

12. The difference is explained by the price transfer as follows:

GROSS price to Angus Trading	USD 540,583.159 (Sch.29)
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GROSS price to Angus PNG	<u>USD 475,035.390 (Sch.28)</u>
--------------------------	---------------------------------

GROSS price transfer	75,547.769
----------------------	------------

LESS discount	<u>5,803.125</u>
---------------	------------------

Net price transfer	<u>USD 59,744.644</u>
--------------------	-----------------------

13. To cover the shortfall Tan Sri Ghazali Sharei raised a line of credit up to USD150,000.00 with Bank of Credit and Commerce Hong Kong which was to be repaid by 20 November 1986 (Sch.30). The amount was still outstanding as at January 1987 when Tan Sri Ghazali was still trying to cover his liability in the most favourable way to himself. (Sch.30A)

14. In December 1986 when the Angus' books were being entered on computer to prepare General Ledger Listings for a Trial Balance the amount price transferred in fact was set off against intercompany loan accounts. This was at a time when the financial position was desperate for Angus (PNG) and after Angus Investments was in liquidation in Singapore.

C. THIRD CONTRACT.

1. The third contract between Angus and Sanko appears to have begun with a telex from SANKO to Angus Singapore on 1 September 1986 - of which there is no copy on Angus (PNG) files. This is referred to and a draft offer formulated (*Sch.31*) and the matter is put on the agenda to discuss with Cheah on 2 September 1986. The quantity is 2500 m3 and Messrs Koh and Ang know about it.
2. Singapore (Koh) advised SANKO on 3 September 1986 he would "revert shortly" on the "3RD CONTRACT - 2500 m3".
3. On 4 September 1986 Singapore (Koh) makes the sale offer. The sale is of 2500 m3 including 500 m3 Rosewood at USD161.25/m3 CNF. The vehicle used in the letter of credit is ASIOFUNDS LIMITED Hong Kong.
4. On 5 September 1986:-
 - (a) Sanko sent its official order for the third contract to Angus Trading. (*Sch.32*)
 - (b) Asiofunds sent its sale and purchase order to Sanko and Singapore (its letterhead clearly showing Asiofunds as part of the Angus Group).
 - (c) Angus Singapore advised and copied documents to Angus (PNG).
5. By 3 September 1986 Angus Singapore advises SANKO the first and third contracts will be shipped together - advises how the unit prices for each species grouping are calculated for the combined shipment and attaches a proforma letter of credit for the combined 5500 m3 shipment. The beneficiary is ASIOFUNDS LIMITED through the Bank of Credit and Commerce Hong Kong and the averaged Rosewood price is USD160.30/m3 CNF. (*Sch.33*).

6. On 9 September 1986 an application for back to back Letter of Credit is made by Asiofunds to BCU Hong Kong. (Sch.34).

The intended price transfer is seen by comparing the prices for each species group between SANKO and ASIOFUNDS on the one hand and ASIOFUNDS and ANGUS (PNG) on the other hand.

The comparison is based on CNF prices per cubic metre as follows:-

SPECIES	VOLUME	ASIOFUNDS/SANKO	ANGUS PNG/ASIOFUNDS
Rosewood	1100 m3	USD 163.30	USD 117
Taun	825 m3	80.75	80
Group 2A	605 m3	77.10	77
Group 2B	1200 m3	69.20	66
Group 3	<u>1770 m3</u>	<u>64.20</u>	<u>62</u>
TOTAL	<u>5500 m3</u>	<u>489,568</u>	<u>430,225</u>

The transfer intended is thus USD59,343-00.

The vast bulk of the transfer derives from Rosewood but there are small price transfers on other species groups.

7. Some fine tuning took place and by 10 September 1986 precise calculations were made and a fresh proforma letter of credit was submitted by Angus Singapore to SANKO. This increased the price to Sanko to USD489,640-00. (Sch.35)
8. In the weekly group priorities for week ending 27 September 1986 the position on this second shipment still is "To await Sanko's LC for 1st and 3rd Contracts and back LC to PNG".
9. On 29 September Singapore faxes a copy of the letter of credit as established from Sanko to Asiofunds (Sch.36) and the application for the back to back letter of credit to Angus PNG.

The Actual letter of Credit from Asiofunds to Angus PNG is established on 30 September 1986 (Sch.37) between the Sanko and the Asiofunds letter of credits.

A comparison shows the intended transfer price. It varies slightly from the comparison in 6 above in that the prices paid by Sanko are slightly different being:-

Rosewood	1100 m3	162.04	+
Taun	825 m3	79.50	-
Group 2A	605 m3	75.95	-
Group 2B	1200 m3	67.98	+
Group 3	1770 m3	62.94	+

The vast bulk of the price transfer intended still relates to Rosewood and there are small positive differences in Group 2B and 3 and small negative differences in Taun and Group 2A.

10. In October 1986 the MEP is slightly changed by regrouping certain species - in effect splitting the former Group 2A into new Groups 2A and 2B and making the former Group 2B into new Group 2C. Angus Singapore advises SANKO of this and authorises the new proforma invoice.

This does not alter matters further. The total price payable by Sanko (calculated on the basis set out in 9 above) remains USD482,761-05.

The price receivable by Angus (PNG) remains USD430,225. The contemplated price transfer remains USD52,536-05.

11. By November 1986 the Forest Industries Council took over Angus (PNG) marketing. It rewrote the contract with Sanko at about the prices Sanko was to pay Asiofunds - indeed the price of Rosewood is slightly reduced but the price of all other groups is slightly increased (Sch.38).
12. The Forest Industries Council in fact made the second shipment receiving a gross price of USD 487,023-30 and for which it received commission at 3.5% which amounted to USD 12,523.21. The proceeds of sale are accounted for in the books of Angus PNG.

D. FOURTH TO NINTH CONTRACTS.

1. This expression refers to a single contract for the supply of 36,000 m3 of logs by six shipments each of 6,000 m3.
2. Whilst the concept of longer term arrangements between Angus and SANKO appears to have been contemplated at earlier times the first really firm proposal arose out of Meetings in early September 1986 and is embodied in Angus Singapore facsimile to Sanko Nagoya of 3 September 1986 (*Sch.39*).

The offer is of 6 shipments each of 6,000 m3 based on one shipment per month of a species mix shown in the attachment. Angus foreshadows a production increase to 9-12,000 m3 per month from November 1986 and offers an exclusive arrangement for the excess production. The Rosewood price is based on the Shin Ashigawa offer of USD230/160/90.

3. Cheah's involvement in this offer; how he hoped to establish the letter of credit and use the contract to seek finance from Bank of South Pacific as well as the use of Hong Kong marketing vehicles is clear from the summary of the Koh/Cheah discussions on 3 September 1986. (*Sch.40*)
4. The contract was pursued (*Sch.41*) and was then to be discussed at meetings in September 1986 when Cheah and Kasaipwalova travel overseas (*see Sch.53*).
5. The actual contract (*See Sch.44*) is concluded in Tokyo on 17 September 1986 and is signed by Cheah on behalf of Angus PNG for what it seems are to be the full prices.

This contract is particularly important as it is the base and sets the scene for the planned large scale price transfer scheme and is subsumed into that scheme. Important features include:

- (a) The contract is between ANGUS (PNG) Pty Limited (not a Singapore or Hong Kong affiliate) and SANKO CO LTD. (Terms 1 & 2).
- (b) The 36,000 m3 contracted for is by 6,000 cubic metres per shipment per month from November 1986 to April 1987 (Terms 3 & 7).
- (c) Sanko has first option over production in excess of 6000 m3 per month. (Term 10)

- (d) The cutting of undersized (below 48 cm for Rosewood) is specifically envisaged in the contract terms Term 8 B "including 48 cm below for Rosewood").
- (e) Payment is by way of revolving letter of credit ... to the seller (Angus (PNG) or another company nominated by the seller". (Term 9)
- (f) The contract sets out the specifications for each shipment and the CNF prices payable. (Term 5 and Annex.A).

6. With the contract signed and in place the next logical step is to establish the Letter of Credit - in this case a revolving letter of credit. This then became ANGUS' key pursuit (Sch.42).

7. The detail of the envisaged proforma revolving letter of credit with the patent price transfer scheme included is facsimile transmitted to Angus (PNG) for approval on 26 September 1986 (Sch.43).

The document is so explicit it requires reading in full and no explanation is necessary. The keys are:

- (a) Rosewood - the only species on which price transfer is made.
- (b) Valouse - this is the first mention of Jersey based Valouse which is the vehicle company for the price transfer.
- (c) USD98,688-75 - is able to "dropped off" in Hong Kong for each 6,000 m³ shipment which meets the specifications of Appendix 1 to the Letter of Credit - this is a massive loss of revenue to P.N.G. to be received tax free in Hong Kong.
- (d) Price structure - the price structure is based precisely on the Sanko 6 month contract. (Compare Sch.44 and Sch.43 Appendix 1). The pricing for hollow logs is calculated by reference to Term 5 of the contract - ie: 30% price reduction.

As can be seen in the transfer scheme spelt out in Exhibit 103 (Sch.45) this whole scheme is only possible because the M.E.P. (minimum export price at which PNG permits Rosewood log exports) is substantially below the true Rosewood log market price.

This document further shows the extent of knowledge of this scheme and the Valouse company plan. Plainly, CHEAH, KOH, ANG and TAN SRI GHAZALI SHAFEI have clear knowledge and it can be inferred KASAIPWALOVA also did.

On his own evidence and concessions Mr Diro had at least general knowledge and could have obtained more detailed knowledge had he asked.

Plainly steps were also in hand regarding incorporation of Valouse and in that respect Cheah and Kasaipwalova had clear knowledge as they were present when Mrs Mary Karo called to sign the indemnity documents which Kasaipwalova witnessed.

Whilst the vehicle company Valouse is the key to the grand scheme so explicitly set out in *Exhibit 103 (Sch.45)* and this SANKO 6 MONTH CONTRACT is subsumed into that scheme it is IMPORTANT to observe that VALOUSE was also the key vehicle in the implementation of price transferring on the SANKO SIX MONTH CONTRACT itself.

8. Further knowledge of what was intended is clear from KOH's message to SANKO copied to BANK OF CREDIT & COMMERCE HONG KONG (*Sch.46*). The revolving letter of credit from SANKO is Japan to SANKO in Hong Kong was to be backed by a further letter of credit from SANKO in Hong Kong to ANGUS (PNG).

It seems clear Sanko and BCC Hong Kong were told about the scheme.

9. Pursuit of the arrangement is clear (*Sch.47*).
10. Whilst there is no evidence available about whether the revolving letter of credit was ever established (and there has been ample opportunity to destroy the evidence now) it seems clear a conspiracy agreement was concluded and that agreement would have the effect of removing funds from the reach of Angus (PNG) at a time when that company was clearly legally insolvent, i.e. unable to pay its debts as they fell due.
11. Again when the Forest Industries Council assumed responsibility for marketing on behalf of Angus (PNG) this 6 month contract was rewritten between the Forest Industries Council and Sanko Co. Ltd (*Sch.48*) at prices closely approximating the true prices shown in the original contract.

**E. THE EVOLUTION OF ANGUS' MARKETING STRATEGIES -
UTILISING M.E.P.**

1. It is clear from many publications that foreign enterprises involved in log marketing and particularly transnational corporations are likely to attempt to utilise transfer pricing devices as a means of tax minimization and for other reasons.

This is clearly envisaged as a prospect in **Part 4 of the 1979 Revised National Foreign Policy** (*particularly at 4.2, 4.5, 6.12 and 6.19*).

2. One of the measures undertaken to prevent transfer pricing was the imposition of "minimum guideline prices" along lines specified in the 1979 Policy - *pages 42/43 Item 4.5B.(ii) and (iii)*.
3. In late 1986 at least it appears the "minimum guideline prices" were arrived at by consultation between the Department of Forests, Department of Trade and Industry and the Forest Industries Council and were described as "MINIMUM EXPORT PRICES" published at about monthly intervals.
4. At this stage Mr Mamalai, the former Secretary of the Department of Forests, has given evidence as to the manner in which the M.E.P. is fixed. Essentially the available data (much of which consists of export log prices disclosed in Papua New Guinea by log exporters) is evaluated in an endeavour to ascertain the approximate "market price" in logs of given species or in given species groupings. This "market price" is then assessed in light of trends - whether the market is rising, falling or stable. Finally a discount factor of in the order of 10% to 15% is applied to arrive at the M.E.P. figure.
Mr Mamalai said that the method and the discounting are not published and are not widely known.
5. The simple and basic facts are that the very manner in which the MEP is established coupled with the practice of automatic approval of exports at or above MEP prices, and the exporters' knowledge of "true" market prices lead to a situation where not only does the "minimum export prices" concept fail to prevent transfer pricing but it positively facilitates and enhances it.

6. The defects in the system are apparent:-

- (a) much of the data used to fix the "market price" consists of DISCLOSED log sales prices. If, as seems to be the fact, these prices are less than the true prices - because they are the net returns to PNG after transfer pricing - then the base "market price" arrived at is falsely low.
- (b) the very concept of discounting the falsely low "market price" is illogical and exacerbates the underassessment of what is a "fair" return to Papua New Guinea.

- 7. The result is that exporters appear to adopt the view that the M.E.P. indicates what the Papua New Guinea authorities regard as a "fair" return to Papua New Guinea. They therefore seem to feel free to structure the prices of log exports to meet MEP requirements and then to create mechanisms where the difference between the "true" market price and the M.E.P. is transferred or deposited "offshore" usually in a haven where the tax implications are minimal.
- 8. The activities and intended activities of Angus (PNG) are almost a case study, spelt out and developed in detail in evidence before the Commission.
- 9. As can be seen from A. FIRST CONTRACT Angus on its first contract intended to price transfer at a rate of USD10.00 per cubic metre across the whole shipment. On as yet untested material in possession of the Commission that is not an unusual practice. Subsequently Angus shifted to using the M.E.P. as a basis for price transferring and that again appears to be a not unusual practice.
- 10. As early as 7 June, 1986 and in connection with its very first log shipment KOH of Angus Singapore tells CHEAH of Angus (PNG) "Re Sankos' telex 6/6 acceptable except beneficiary Sanko letter of credit to one of the Angus Accounts in Hong Kong who will back this letter of credit to Angus PNG".

That price transferring is contemplated is clear from CHEAH's reply of 9 June 1986 "... I would propose that this 1st L/C to be concluded between Sanko and Angus (PNG) if it is OK with you. Nevertheless the future L/C's must be done at "arms length", so please set up a company in HK to handle this - see Timber Permit Clause 18(4a)."

11. By July 1986 the then current M.E.P. is facsimile transmitted from PNG to Singapore (Sch.49). In August 1986 Angus Singapore Staff are having problems working out the MEP on Angus first & second shipments (Sch.50).
12. By September 1986 (even though Angus Investments was used in the first contract, Angus Trading for the second contract and Asiofunds for the first and third contracts) the clear understanding and use of M.E.P. and clear plans for a more permanent transfer pricing vehicle are emerging.
 - (a) On 29 August 1986 KOH from SINGAPORE telexes Angus PNG. "L/C 2nd Contract. Please advise M.E.P. for us to work out the details". Also in respect of equipment financing a proposal is put in the same telex for a Letter of Credit to be established on behalf of a Hong Kong company where transfer pricing seems clearly envisaged.
 - (b) On 29 August 1986 CHEAH sends KOH the latest MEP effective 1 September 1986.
 - (c) On 29 August 1986 SINGAPORE advises Cheah "though we have MEP list from you unable to work out MEP for Second Shipment because we do not know what percentage of species are SSP, SP1, SP2, SS1, SS2 or SS3. Please advise."
 - (d) On 30 August still dealing with the second letter of credit KOH puts details and says "We have not followed up with above because not sure whether above meets MEP."
 - (e) In Angus Group Priorities for week ending 6 September 1986 the position is shown as "Awaiting MEP from PNG. After that to arrange for LC to PNG".
 - (f) On 1 September 1986 the Angus logging company is asked to give a breakdown of species and grades urgently because the information has to be forwarded to Singapore by Tuesday at the latest.

- (g) What is intended and MEP manipulations are clear from the agenda of matters to be discussed with CHEAH on 3 September:-

"2. 2nd LC

To await MEP from PNG. Thereafter to open LC to PNG if BCC OK to accept instruction from AG. TRADING.

Q If LC value (USD 278,000) and advance USD 100,000 still short of MEP can FC (CHEAH) advise alternative".

It is even clearer from KOH's note of 2 September 1986 faxed to Dollarquest (Tan Sri Ghazali Shafei's address) to "pass on to Chairman MAA (Ang) at his house in KL" - this note.

"4. USD 2M L/C FM BCC.

Pls. speak to FC whether pricing for this LC is OK if based on MEP, ie: some profits will be taken up in Hong Kong (difference between selling price to clients and MEP). "BCC agrees on this LC only on basis of MEP".

- (h) In early September Cheah travels to Singapore and is clearly handed there a draft agreement between Angus (PNG) and Roteson Investments - a Hong Kong Company (*Sch.51*).

By this Agreement Angus (PNG) is to appoint ROTESAN its exclusive log marketer for all timber from the Gadaisu TRP. The price is "at least five (5) percent above the minimum export price set by the Authorities in Papua New Guinea".

In the summary of discussions KOH/CHEAH on 3 September 1986 it is said in respect of Item 4 MARKETING:-

"PNG to discuss with lawyers to firm up marketing contract between AG PNG and HK marketing company based on draft agreement handed over to FC Cheah. Sales price from PNG to marketing company will be MEP + 5%. This 5% is as a marketing fee to the marketing company."

The clear proposal is that Angus (PNG) receives MEP price and that is all. The proposal is pursued in weekly priority schedules and other plans.

- (i) The attempted application of theory to practice by CHEAH is clearly seen in his submission of 8 September 1986 (*Sch.52*). The calculations speak for themselves and are singularly explicit showing the measure of transfer pricing proposed.
- (j) In mid September 1986 CHEAH travels to Hong Kong and Tokyo via Manila and KASAIPWALOVA travels to Hong Kong via Manila. The purpose of the travel is explicit from the Agenda (*Sch.53*).

The purpose was to conclude the longterm contract with SANKO (which was achieved) and to finalise arrangements on the proposed agreement with ROTESAN. This shows the clear involvement of KASAIPWALOVA, CHEAH, KOH and the Bank of Credit and Commerce in these arrangements. On 22 September Cheah writes to the General Manager of Sanko clearly stating marketing strategies and pricing formulae were discussed with Sanko. (*Sch.54*)

- (k) It seems reasonably clear that out of these discussions over a period of days the ROTESAN proposal is not pursued and the VALOUSE concept arises. There is no mention of Rotesan in communications to or from Angus PNG after the CHEAH/KASAIPWALOVA meetings in Hong Kong. However soon after those meetings and on 22 September 1986 in the Group priorities for the week ending 27 September 1986 what has been discussed became clear.

"1. PNG

C. SIX (6) MONTHS CONTRACT

- A. To await Sanko's final confirmation on details of Sanko HKG branch's involvement in LC transaction.
- C. To fax revolving LC proforma to Sanko Nagoya to open LC to Sanko HKG.

E. VALOUSE As discussed."

- (1) Chronologically these priorities do not mean much if an outsider but the significance is made clear if the 26 September facsimile is read. (*Sch.48*). This facsimile has been considered in D. FOURTH TO NINTH CONTRACTS.

- (m) Suggested manipulations on the first shipment (second contract) using MEP are refined and quite explicit as between KOH and CHEAH in a facsimile of 23 September 1986 (*Sch.55*) and these "Recommended" prices are very close to the actual FOB prices paid to Angus (PNG) on the first shipment - the price transfer "Recommended" is USD76,260-00.
 - (n) On 3 October 1986 Angus (PNG) facsimile transmits the latest MEP to Singapore. Clearly this is necessary if MEP is to continue to be used to structure prices to Angus PNG.
13. By November 1986 Angus (PNG) places its marketing in the hands of the Forest Industries Council and contracts are rewritten apparantly eliminating the use of MEP to structure prices.

A846

THIS DEED is made on the date specified in Item 1.

EX 119

PARTIES:-

1. The party named in Item 2 (the "Shareholder").
2. The party named in Item 3 (the "Officer").

4-

RECITES:-

- A. The Shareholder has requested the Officer to accept appointment to the office referred to in Item 4 (the "Office") of the company named in Item 5 (the "Company").
- B. The Shareholder as a condition of the Officer's agreement to so act has agreed to indemnify the Officer and to keep him indemnified from and against all liability which the Officer may suffer or sustain as a result of his having agreed to accept appointment to the Office.

WITNESSES:-

1. The Shareholder covenants with the Officer that it will at all times hereafter indemnify the Officer and keep him indemnified from and against all claims and payments of any nature whatsoever for which the Officer may directly or indirectly become liable and against all actions, suits, proceedings, fines, penalties, claims, demands, costs, and expenses whatsoever which may be taken, made, imposed, or levied against the Officer or incurred or become payable by the Officer in his capacity as such or in the course of or in connection with the Officer:-
 - (a) performing the duties imposed upon him in relation to the Office by the Companies Act Chapter 146 of the Revised Laws of Papua New Guinea any similar legislation of the Independent State of Papua New Guinea.
 - (b) failing, neglecting or omitting to perform any such duties, unless such failure is wilful or results from the gross negligence of the Officer.

A847

2. Without limiting the generality of the indemnity contained in Clause 1 hereof, the Shareholder acknowledges that such indemnity shall extend to and include:-
- (a) all legal costs on a solicitor and client basis incurred by the Officer in connection with any of the matters referred to in Clause 1 hereof;
 - (b) all time spent by the Officer directly or indirectly in connection with any of the matters referred to in Clause 1, which the Officer shall be entitled to recover from the Shareholder at the normal rates charged by the Officer from time to time to his clients for his time;
 - (c) all out-of-pocket expenses incurred by the Officer in respect of any of the matters referred to in Clause 1.
3. In this Deed, unless the context otherwise requires:-
- (a) references to a party shall include that party's personal representative;
 - (b) words importing the singular number shall include the plural and vice versa;
 - (c) words importing one gender shall include every gender.
 - (d) where there is more than one Shareholder to this Deed the provisions of this Deed shall bind each Shareholder jointly and severally.

EX 119

SCHEDULE

4

- ITEM 1. Date: The day of
- ITEM 2. Shareholder: TAMWORTH NO. 35 PTY LIMITED
- ITEM 3. Officer: GERARD STEPHEN KASSMAN
- ITEM 4. Office: Director
- ITEM 5. Company: ANGUS (PNG) PTY LIMITED

A848

THE COMMON SEAL OF TAMWORTH)
NO. 35 PTY LIMITED was hereunto)
duly affixed by the authority)
of the Board of Directors in)
the presence of:)

.....
Director

.....
Secretary

EX 119

4

A14

file

MAY 17 1986 1306

ANGUSPNG NE23341

ANGUSG RS55671

ZCZC REF: MAY/203

DD : 17/5/86

TO : ANGUS PNG (ATN : MR F.C. CHEAH)

CC : INTERNAL (CM, GMD, GGM)

FM : ANGUS SG

RE : LOGS FOR INDIA

EX68(53)

17

1) HELLO MR. CHEAH HOW ARE YOU. IF U REMEMBER I MET U WTH MR. SEETOH OF INTRACO ABT 2 WKS AGO.

2) I HV A CONTACT IN SPORE WHO SELLS TIMBER TO INDIA. I SENT FOLL TLX TO HIM :

QTE

RE O TELECON TODAY, DTLS OF LOGS FM PNG AS FOLL :

1) TAUN	4,000M3/MONTH	USD 70.00/M3
2) ROSEWOOD	3,000M3/MONTH	USD 176.00/M3
3) WALNUT	1,000M3/MONTH	USD 80.00/M3
4) TERMINALA	1,000M3/MONTH	USD 65.00/M3
5) CELTIS, CANARIUM, ERIMA,		
AMBEROI, WATER-GUM, HOPEA,	2,000M3/MONTH	USD 62.00/M3
STERCULIA, AGLAIA		
6) OTHERS	1,000M3/MONTH	USD 45.00/M3

FIRST SHIPMENT	3,000M3	MIDDLE OF JULY
SECOND SHIPMENT	6,000M3	END OF AUGUST
THIRD SHIPMENT	12,000M3	END OF SEPTEMBER
THEREAFTER MONTHLY SHIPMENT OF 12,000M3		

JUN 05 1986 1715

0

ANGUSPNG NE23341

1

JUN 05 1986 1718

0
ANGUSPNG NE23341TLX TO ANGUSPNG
ATN MR F C CHEAH

TKS YTX 2/6/86 RE YR MAGARIDA LOGS ABT 3,000 M3 OUR PRC CNF NAGOYA
(ONE PORT) AS FLLWS

1. ROSEWOOD
2. TAUN
3. TERMINALIA
4. WALLNUT, WATERGUM, CANARIUM
5. RED N WHITE MIX

USD 143/M3

80

75

70

65

EX68(35)

86

REMARKS

- 1) ALL PERCENTAGE OF SPECIES FROM ABOVE 1 TO 5. N DIAMETER AS PER YTX 2/6/86 BUT PLS NOTE ROSEWOOD SHUD BE MIN 30PCT
- 2) LOG GRADING BY SPELPA RULES ACCPTABLE BUT OUR INSPCTR HOLDS RIGHTS TO REJECT DEFECT LOGS (EX. FANGOUS OF TAUN ETC.) BEFORE LOADING
- 3) VOLUME BY RESCALING LIST IN JAPAN (BY GOVERMENT AUTHORIZED SCALER) IS FINAL, ANY DIFFERENCE MUST BE SETTLED AFTER RESULTS OBTAINED AS

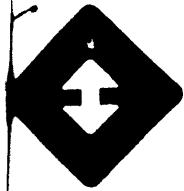
AP

- 4) L/C AT SIGHT WIL BE OPENED DIRECTLY TO U

PLS CONFIRM ALL ABOVE SO THAT WIL ARRANGE SCHEDULE TO SEND OUR INSPECTOR TO YR PLACE

BST RGDS T.SANO (MANAGER OF LOG SECT) N E.SUZUKI
SANKO CO LTDKC NAGOYA

.....



ANGUS
(PNG) PTY. LTD.

Fax Transmission

No.:

A28

洪嘉實業有限公司
Suite 508 Pacific View,
P.O. Box 2735
Boroko,
Papua New Guinea,
Tel: (675) 258237
Telex: NE 23341

Date: 6.6.86

File Ref.: 2-1-5(2)

To: C. Koh

From: F. C. Chel

Subject:

Log Sales

- 1) Enclosed (Faxed) Sanks offer.
- 2) Shall re-offer on F.I.C. standard format. i.e. Group One - Brewood Walnut.

Group Two A . . .

- 3) May be possible to have full shipment by 15-7-86. (7,000m³).
- 4) Your comments and counter-proposals on 4/c or revolving 4/c.

Thanks.

F. C. Chel

EX68(35)

44

SCHEDULE 04

ANGUSPNG NE23341

ANGUSG R555671

ZCZC REF: JUN/081

DD : 7/6/86

TO : AG PNG (ATN : F.C. CHEAH)

CC : CN (ATN : D. CHUA)

CC : INTERNAL (CM, GGM, FIN CON)

FM : AG HQ

RE : LOG SALE TO SANKO RE YR FAX 6/6

1) GENERAL

- A) CONGRATS ON SPEED ON YR MARKTS
- B) H/E, MANY DTLS TO BE RESOLVED BY ABV DEAL FINALISED.

2) PRICE

- A) ALT. SAFER TO SELL ON CNF IN RESPECT OF BANKING, IN TERMS OF EXECUTION AGREE WITH U TO SELL 1ST FEW SHPMTS ON FOB.
- B) H/E, SUGGT WE NEGOT FR USD3/R3 INCREASE TO FOB.
- C) REASON IS BECOS NISHO IMAI ALSO BEEN ON O PRODN, IN COMPETITION WITH SANKO TO SELL TO SAME BUYER IN JAPAN.

3) QNTY N SHPMT DATE :

- A) PRESENT NEGOT WITH SANKO BASED ON 1,000M3, FOR SHPMT END JULY.
- B) SANKO SPOPE BR MGR IS OF OPINION SANKO NAGOYA CAN TAKE ALL OUR PRODN, BUT FR SAFETY, AGREE WE WORK ON SAFE QTY N SAFE LATEST SHPMT DATE, FR THIS 1ST DEAL.
- C) PLS INFO WHAT QTY N SHPMT DATE CONFORABLE FR U BASED ON PRESENT LOGGING SITUATN.

4) LC .

- A) RE SANKO'S TLX 6/6, ACCTBLE EXCEPT BENE. SANKO LC TO ONE OF THE ANGUS ACCTS IN HX WHO WILL BACK THIS LC TO AG PNG.
- B) PLS NOTE SHPT DATE. OK?
- C) COUNTERSIGNATURE IS NORMALLY REQD FR NEW SUPPLIERS. THIS IS OK.

- 5) OTHER TERMS. RE SANKO'S TLX 5/6, ALL OK EXCEPT PLS NOTE ROSEWOOD MIN 30 PCT. CAN WE ACCTPT?

6) OTHER COMMENTS/MATTERS.

- A) BY FOB IN LOG BIZ, USUALLY MEANS, LOADG ALONGSIDE SHIP, IN OUR CASE, IN OPEN SEA ALONGSIDE SHIP. SINCE WE HV SINKERS/FLOATERS MIX. WE WL HV TO USE BARGES/SINKERS. HOW MANY PERCENT SINKERS?
- B) LOADG RATE. 1,500 M3/DAY APPEARS HIGH. 800 TO 1,000M3 IS NORMAL LOG LOADG RATE FOR PNG. PLS CFM.

7) SUGGESTION

- A) SUGGT DEAL BE CONCLD BTWN SANKO NAGOYA N AG HQ, BASED ON AG PNG'S ADV ON QTY, SPECIES, PRG, SHPMT DATES N LOADG SITUATN. REASON IS BECOS LC/BANKING, LEGAL, SHIPPING N TIMBER SALE TECHNICALITIES MORE EASILY AVAILABLE IN SPORE. YR VIEWS PLS.
- B) IF ABV AGREEBLE. WE WL LIAISE DIRECT WITH SANKO FM SPORE AFTER SPORE N PNG AGREES ON DTLS OF OFR TO SANKO.
- C) UPON RECEIPT OF YR VIEWS N INFO, AS REQD ABV, WILL FAX U 'A DRAFT OFFER TO SANKO' FR YR APPROVAL.

R. RGDS - C.KOH GMD0

ANGUSPNG NE23341

ANGUSG R555671

VVVV

EX68(35)

185

A35

A43

4c
PROPOSED PROFORMA INVOICE

1. Beneficiary: ANGUS INVESTMENTS PTE LTD
250 North Bridge Road
39-00 Raffles City Tower
Singapore 0617
2. Shipment from ~~any Papua New Guinea Port~~ ^{m: 11 port Hekau} to Nagoya, Japan.
3. Partial Shipment : ALLOWED
4. Transshipment : PROHIBITED
5. Latest Shipment Date : 31 ^{July} AUG 86
6. Expiry Date : 30 ^{31 August} SEP 86
7. Covering CNF FO shipments of Papua New Guinea round logs as follows:
 - a. Rosewood ✓ - 900 CBM @ USD ¹⁶⁵ 165 PER CBM
 - b. Taun ✓ - 600 CBM @ USD ⁸² 82 PER CBM
 - c. ~~Walnut~~ - 90 CBM @ USD 81 PER CBM
 - d. Group 2A + ~~walnut~~ ^{390 m} 390 CBM @ USD ⁷⁰ 70 PER CBM
(Less Taun)
 - e. Group 2B ✓ - 360 CBM @ USD ⁷⁰ 70 PER CBM
 - f. Group 3 ✓ - 750 CBM @ USD ⁶⁵ 65 PER CBM
8. ^{Dimension + 60 cm 80 PCT}
Following documents required:
 - a. Full set of clean-on-board Bills of Lading made out to order of shippers and notify accountee and marked "FREIGHT PREPAID"
 - b. Signed invoices, countersigned by your representative (Name and identification and specimen signature of your representative to be included in the original L/C)
 - c. Log or Packing List.

Ex68(35)

187

SCHEDULE 06

ANGUSPNG NE23341

09518 JUN 12 1986 1312

GOOD AFTERNOON

GA

041+

017 7204422280+

027 8755671+

037 +

CONNECTING NOW

01- 4422280GRASAN J

02- ANGUSG RS55671

ALL AVAILABLE PARTIES CONNECTED

TO: MR T. BANO

MR N.E. SUZUKI

FM: ANGUS (PNG)

CC: MR C. KOH, ANGUS INVESTMENTS PTE LTD, SINGAPORE

REF: 6-23

DT: 12 JUN 86

1. CONFIRM ACCEPTANCE RE YTLX 11
2. AGAIN CONFIRM CORRECT ITEM 10 RE HK BANKING INSTRUCTION AS ANGUS INVESTMENTS PTE LTD HAS ACCOUNT WITH BANK OF CREDIT AND COMMERCE HK LTD AND THEY SHALL RE-ESTABLISH L/C ACCORDINGLY TO ANGUS (PNG) PTY LTD.
3. LOADING DATE SHALL BE 15-22 JULY 1986 MILLPORT HARBOUR. NAME OF VESSEL IS SOIC 1 AND AS CAPACITY OF THIS SHIP IS 7,300M3 WE CAN ALSO LOAD SOME OF YOUR OTHER LOGS TO NAGOYA FOR BANKO.
4. LOOKING FORWARD TO THE BEGINNING OF A LASTING BUSINESS ASSOCIATION.

BEST REGARDS

F C CHEAH

MANAGING DIRECTOR

0

ANGUSG RS556710

4422280GRASAN J

ANGUSG RS55671

ANGUSPNG NE2334180000

01-

TIME 003.2 MINS

02-

TIME 003.5 MINS

EX68(35)

7

SCHEDULE 07

A67

SANKO CO., LTD. P.O. BOX CENTRAL 48, NAGOYA

TELE ADDRESS:
SANKO CO.
X 4422280 GRASAN

Our Ref No. NQ-406.

13th June, 1986.

Messrs. ANGUS (PNG) PTY LTD.,
Suite 502, Pacific View,
P.O.Box 2755, BOROKO,
P.N.G.

Dear Sirs,

With pleasure to enclose herewith our Purchase Order Sheet.

Please return us duplicate with your counter signature.

We will open a Letter of Credit as follows:-

Advising Bank: Bank of Credit and Commerce HK Ltd.,
Gloucester Road Branch, Hong Kong.

Beneficiary: Angus Investments Pte Ltd.,
250 North Bridge, #39-00, Raffles City Tower,
Singapore 0617.

Thank you for your co-operation.

Yours faithfully,

ANGUS (PNG) PTY LTD.....
*Directors***SANKO CO., LTD.**
NAGOYA BRANCH

P. P. MANAGER

HEAD OFFICE : P.O. Box International 5032, Tokyo. Telex 2223839 GRASAN Tel. (03)211-3531
OSAKA BRANCH : P.O. Box Higashi 62, Osaka. Telex 5227550GRASAN Tel. (06)202-2321
NAGOYA BRANCH : 1, 4-chome, Horiuchi-cho, Nakamura-ku, Nagoya. Tel. (052)551-1171

A68

SANKO CO. LTD.

Japan, Japan

NAGOYA OFFICE
P. O. BOX NO. 48 NAGOYA CENTRAL
7-35, 4-CHOME, MEIEKI
NAKAMURAKU, NAGOYA, JAPAN

ES-1236 ATTACHED SHEET

ORDER NO. ES-1236

NAGOYA

12TH JUNE 1986

Species

Volume

Messrs. **ANGUS (PNG) PTY. LTD.**
Suite 502, Pacific View P.O. Box 2755
Boroko, Papua New Guinea.

US\$165.00 144 119600

US\$82.00 61 36600

US\$78.00 37 22300

US\$16.00 11 17600

US\$65.00 44 23000

We take pleasure in confirming the following PURCHASE with your
goodselves for the undermentioned merchandise according to the following terms
& conditions.

Group 3

150M3

115 29070

Description: **P.N.G FRESH CUT ROUND LOGS**
Diameter assortment: 60cm up to 18" each (10/20%)

US\$302,070.00

Quantity: About 3,000M3

Subject to variation plus/minus

10 % (TEN percent).

Price & C&F/NAGOYA US\$302,070.00 approx

Amount: Details as per attached sheet

Shipment: July 1986 from Millport Harbour, P.N.G. CAMPHOR, LAMULA, PASSWOOD, MERSAWA, KAMPREHE, CAMARIUM SFV.

Payment: By irrevocable and confirmed Letter of Credit available against

2) Group 2-B means MALAT, SIGMA, CELTIS, AMARANTH. Draft and documents, to be established in favour of Seller.

3) Group 3 means all other species not included

Freight: To be covered by Buyers/Sellers (FREIGHT COLLECT).
US\$21.00 per M3 from above mentioned prices

Destination: NAGOYA, JAPAN.

Remarks:

1) Quality: Inspection by buyers representative before loading is final, buyers inspector holds rights to reject old and or defected logs before loading.

2) Volume: By rescaling List in Japan (issued by the government authorized scaler) is final, any difference between shipper's Log List invoice and the rescaling list must be settled by T/T remittance after results obtained immediately.

Remarks: For further Remarks see Attached Sheet 'A'

ACCEPTED: as per our letter dated 25th June 1986, reference 2-1-5(2)

ANGUS (PNG) PTY LTD

SANKO CO., LTD.
NAGOYA BRANCH

P. P. MANAGER

KINDLY SIGN AND RETURN ATTACHED CARBON COPY AS YOUR ACCEPTANCE OF THE ABOVE.

SANKO CO., LTD. Nagoya, Japan.

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ES-1236 ATTACHED SHEET

Sheet

FO

Species	Volume	Price C&F/NAGOYA PER M3
ROSEWOOD	about 900M3	US\$165.00 144 129600
TAUN	600M3	US\$82.00 61 36600
Group 2-A. and WALNUT	390M3	US\$78.00 37 2230
Group 2-B.	360M3	US\$70.00 49 17640
Group 3	750M3	US\$65.00 44 33000
Total:	about 3,000M3	US\$302,070.00
Diameter assortment:	60cm-up/48-59cm each 80/20%	71 79

Remarks:

- 1) Group 2-A. means TAUN, CALOPHYLLUM, AMOORA, TERMINALIA, AGLAIA, WAU BEECH, RED CEDAR, MANGROVE CEDAR, SILKWOOD, BURCKELLA, CAMPNOSPERMA, LABULA, BASSWOOD, MERSAWA, KAMERERE, CANARIUM SPP.
- 2) Group 2-B. means MALAS, ERIMA, CELTIS, AMBEROI, DILLENIA, WATER GUM.
- 3) Group 3 means all other species not included in Group 1, 2-A and 2-B.
- 4) If in case of FOB TERM (FREIGHT COLLECT), prices must be reduced US\$21.00 per M3 from above mentioned prices.

EX68(35)

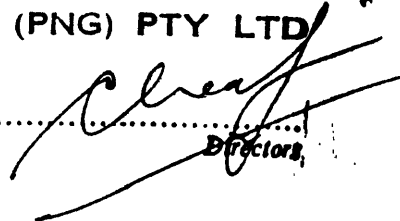
91

A70

Sheet 'A'

- Remarks: 3) Third Party and Charter Party Bill(s) of Lading and Third Party documents except invoice acceptable
- 4) B/L marked on deck cargo acceptable
- 5) In case buyer's representative is not available during and immediately after loading to countersign log list, this L/C is still available provided seller provides a certificate countersigned by the Forest Industries Council of Papua New Guinea to the effect that at the time of loading, buyer's agent was not available to countersign the log list.
- 6) Discharge rate at Nagoya: 2000m3 per WWSHEXUU
Demurrage: US\$2000.00 daily or pro rata/Half despatch WTS

ANGUS (PNG) PTY LTD


.....
Directors

EX68(35)

91

A 78

2-1-5(2)

JUN 19 1986 1655

Q

ANGUS NE23341

ANGUSG RS55671

ZCZC REF: JUN/222

DD : 19/6/86

TO : AG PNG (ATN : F.C. CHEAH)

CC : INTERNAL (CM, FIN CON, CN)

AG TRDG (HENG)

: AG HQ

RE B/B LC TO PNG

RYTX JUN 17. CONGRATS AGAIN. BCC STILL NOT RCVD LC. MAYBE BY THIS EVENING. IF SO, WILL BACK LC TO U BY EARLY NEXT WEEK.

B.RGDS - GMD

Q

ANGUS NE23341

ANGUSG RS55671

VVVV

[Handwritten mark]

8/2

EX68(35)

196

SCHEDULE 08

A77

2-1-5 (2)

JUN 17 1986 1541

0

ANGUS NE23341

TLX TO ANGUS

ATN MR F C CHEAH

TKS YTX TDY

EX 68(35)
93

L/C NO 012-LC-107832 D333,000 WAS ESTABLISHED FRM THE BANK OF TOKYO LTD TO BANK OF CREDIT AND COMMERCE HK LTD, HK BY FULL CABLE YESTERDAY BENEFICIARY NAME ANGUS INVESTMENTS PTE LTD S'PORE

OUR BUYER'S INSPECTOR MR TOMITA WILL MAKE PHONE CALL TO U WHEN HE ARRIVES

POM END THIS WEEK OR EARLY NXT WEEK N DO PRE-INSPECTN AT MAGASO KINDLY ARRNGE TRANSPORT FOR HIM

RGDS SANKO NGY

(JS)

13314 255HK HK
TCHANKA J22220
3-45 (LET)

FROM THE BANK OF TOKYO LTD TOKYO DATED JUN 16 1986
TO BANK OF CREDIT AND COMMERCE HK LTD HEAD OFFICE (HONGKONG)

33CHKHO HONGKONG
(200-4.D.)

IRREVOCABLE DOCUMENTARY CREDIT NUMBER 012-LC-107832 DATED 15TH
BENEFICIARY ANDUS INVESTMENTS PTE LTD 280 NORTH BRIDGE ROAD
NO. 12-09 RAFFLES CITY TOWER SINGAPORE 0617
APPLICANT SANKO COLTD TAVO INTERNATIONAL P.O. BOX 5032 TOKYO
AMOUNT US\$333,000.00

EXPIRY DATE FOR NEGOTIATION AUGUST 31 1986 WE ISSUE THIS
DOCUMENTARY CREDIT AVAILABLE WITH ANY BANK BY NEGOTIATION
OF BENEFICIARY'S DRAFTS AT SIGHT FOR FULL INVOICE COST DRAWN ON
OUR NEW YORK BRANCH BEING MARKED AS HAVING BEEN DRAWN UNDER THIS
CREDIT AND ACCOMPANIED BY THE FOLLOWING DOCUMENTS:
SIGNED COMMERCIAL INVOICE IN QUINTuplicate FULL SET CLEAN
ONBOARD OCEAN B/L ORDER BLANK ENDORSED MARKED "FREIGHT
PREPAID" NOTIFY APPLICANT AND LATEST JULY 31 1986 LCO LIST
IN DUPLICATE

COVERING NET 3,000M3 OF PAPUA NEW GUINEAN FRESH CUT ROUND LOGS
AS PER ORDER SHEET NO. ES-1236 C&D DETAILS AS PER
UNDERMENTIONED

SHIPPING FROM PAPUA NEW GUINEAN PORTS TO JAPANESE PORTS
BUYER ISSUES PARTIAL SHIPMENTS ALLOWED TRANSHIPMENTS

PROHIBITED DRAFTS AND DOCUMENTS MUST BE PRESENTED FOR NEGOTIATION
WITHIN 30 DAYS AFTER B/L ONBOARD DATE, BUT WITHIN CREDIT
VALIDITY PERIOD

THIRD PARTY AND CHARTER PARTY BILLS OF LADING AND THIRD PARTY
DOCUMENTS EXCEPT INVOICE ACCEPTABLE. BILLS OF LADING MARKED
ON DECK CARGO ACCEPTABLE.

COUNTER SIGNATURE OF MR. T. SANO (PASSPORT NO. N03822442)
SANKO COLTD ON INVOICE IS REQUIRED. ALL BANKING CHARGES
INCLUDING ADVISING COMMISSION PAYMENT COMMISSION AND OR
NEGOTIATION COMMISSION, REIMBURSEMENT COMMISSION) OUTSIDE
JAPAN ARE FOR ACCOUNT OF BENEFICIARY. T. REIMBURSEMENT ACCEPTABLE
IN THIS CASE DRAFTS MUST BE MARKED CLEARLY "T. REIMBURSEMENT
EXPECTED" IF IN CASE OF F.O.B. TERM (FREIGHT COLLECT), PRICES
MUST BE REDUCED US\$122.00 PER M3 FROM ABOVE MENTIONED PRICES.
NEGOTIATING BANK MUST AIRMAIL DRAFTS TO DRAWEE BANK AND ALL
DOCUMENTS TO US IN TWO CONSECUTIVE LOTS.

PLS ADVISE BENEFICIARY OF THIS CREDIT THROUGH YOUR CLOUCESTER
ROAD BRANCH

SUBJECT U.C.P. 1993 I.C.C. PUBLICATION 400 PLEASE NOTIFY

DETAILS OF MERCHANDISE DESCRIPTION AS FOLLOWS:

SPECIES	VOLUME	PRICE PER M3 C AND F
---------	--------	----------------------

GROUP 1 (ROSEWOOD)	ABOUT 900M3	US\$18165.00
TRUN-	600M3	US\$182.00
GROUP 2-A. AND WALNUT	350M3	US\$1878.00
GROUP 2-B.	350M3	US\$1878.00
GROUP 3	750M3	US\$1865.00

TOTAL:	ABOUT 2,000M3	US\$19302,970.00
--------	---------------	------------------

Certified true photostat

copy of sales received

For BANK OF CREDIT AND COMMERCE HONG KONG LTD

Authorized Signature

15. DIAMETER ASSORTMENT: 80CM-UP/48-39CM EACH 80/20 0/0

26 REMARKS:

GROUP 2-A. MEANS TEAK, CALOPHYLLUM, AMOORA, TERMINALIA,
ALALIA, HAU BECH, RED CEDAR, KANOROE CEDAR, BALEWOOD,
YONGELLA, GAMBOSPERMA, LABULA, BRUSHWOOD, NERANA,
KAMERERE, CANARIUM SPP.

GROUP 2-B. MEANS MALAS, EITHA, CELTIS, AMERDO, DILLENIA,
WATER OUN.

GROUP 3 MEANS ALL OTHER SPECIES NOT INCLUDED IN GROUP 1
(ROSEWOOD) 2-A AND 2-B.

TOUSANK

This Credit is issued through BANK OF
CREDIT AND COMMERCE HONG KONG LIMITED

under No. 107832
dated 16 JUN 1986

EX68(35)

179

SCHEDULE 09

XEROX TELECOPYER 2ND : 20- 8-88: 3:52 PM

8529297062 +

3387333

2

13314 BCCMP HK
TOKYO MEX 022220
0-25 (LET)

FROM THE BANK OF TOKYO LTD TOKYO DATED JUN 16 1986
TO BANK OF CREDIT AND COMMERCE HK LTD HEAD OFFICE (HONGKONG)

BCHKHO HONGKONG
1500 4.0.)

TELEDOCABLE DOCUMENTARY CREDIT NUMBER 012-LC-107832 DATED 15TH
BENEFICIARY ANOUS INVESTMENTS PTE LTD 280 NORTH BRIDGE ROAD
NO. 12-09 RAFFLES CITY TOWER SINGAPORE 0617
APPLICANT SANKO COLTD TOKYO INTERNATIONAL P.O. BOX 3032 TOKYO
JAPAN USDLS333,000.00

EXPIRY DATE FOR NEGOTIATION AUGUST 31 1986 WE ISSUE THIS
DOCUMENTARY CREDIT AVAILABLE WITH ANY BANK BY NEGOTIATION
OF BENEFICIARY'S DRAFTS AT SIGHT FOR FULL INVOICE COST DRAWN ON
OUR NEW YORK BRANCH BEING MARKED AS HAVING BEEN DRAWN UNDER THIS
CREDIT AND ACCOMPANIED BY THE FOLLOWING DOCUMENTS:
SIGNED COMMERCIAL INVOICE IN QUINTUPPLICATE FULL SET CLEAN
ONBOARD OCEAN B/L ORDER BLANK ENDORSED MARKED "FREIGHT
PREPAID" NOTIFY APPLICANT AND LATEST JULY 31 1986 LOG LIST
IN QUINTUPPLICATE
COVERING NET 3,000M3 OF PAPUA NEW GUINEAN FRESH CUT ROUND LOGS
AS PER ORDER SHEET NO. ES-1236 CANOE DETAILS AS PER
UNDERSTANDING

1. SHIPMENT FROM PAPUA NEW GUINEAN PORTS TO JAPANESE PORTS
BUYER ISSUES PARTIAL SHIPMENTS ALLOWED TRANSHIPMENTS
2. PROHIBITED DRAFTS AND DOCUMENTS MUST BE PRESENTED FOR NEGOTIATION
WITHIN 30 DAYS AFTER B/L ONBOARD DATE, BUT WITHIN CREDIT
VALIDITY PERIOD

3. THIRD PARTY AND CHARTER PARTY BILLS OF LADING AND THIRD PARTY
DOCUMENTS EXCEPT INVOICE ACCEPTABLE. BILLS OF LADING MARKED
ON DECK CARGO ACCEPTABLE.

4. COUNTER SIGNATURE OF MR. T. SANO (PASSPORT NO. N03822442)
SANKO COLTD ON INVOICE IS REQUIRED ALL BANKING CHARGES
INCLUDING ADVISING COMMISSION PAYMENT COMMISSION AND OR
NEGOTIATION COMMISSION, REIMBURSEMENT COMMISSION) OUTSIDE
JAPAN ARE FOR ACCOUNT OF BENEFICIARY. T. REIMBURSEMENT ACCEPTABLE
IN THIS CASE DRAFTS MUST BE MARKED CLEARLY "T. REIMBURSEMENT
EXPECTED" IF IN CASE OF F.O.B. TERM (FREIGHT COLLECT), PRICES
MUST BE REDUCED USDLS22.00 PER M3 FROM ABOVE MENTIONED PRICES.
NEGOTIATING BANK MUST AIRMAIL DRAFTS TO DRAWEE BANK AND ALL
DOCUMENTS TO US IN TWO CONSECUTIVE LOTS.
PLS ADVISE BENEFICIARY OF THIS CREDIT THROUGH YOUR CLOUCESTER
ROAD BRANCH
SUBJECT U.C.P. 1993 I.C.C. PUBLICATION 400 PLEASE NOTIFY

DETAILS OF MERCHANDISE DESCRIPTION AS FOLLOWS:

SPECIES	VOLUME	PRICE PER M3 C AND F
GROUP 1 (ROSEWOOD)	ABOUT 900M3	USDLS165.00
TRUN-	600M3	USDLS 82.00
GROUP 2-A AND WALNUT	350M3	USDLS 78.00
GROUP 2-B	350M3	USDLS 70.00
GROUP 3	750M3	USDLS 65.00
TOTAL:	ABOUT 2,000M3	USDLS332,270.00

Certified true photostat
copy of sales received

For BANK OF CREDIT AND COMMERCE HONG KONG LTD

Authorized Signature

5. DIAMETER ASSORTMENT: 30CM-UP/40-59CM EACH 80/20 0/0

76 REMARKS:

1. GROUP 2-A, MEANS ~~TRUN~~, CALOPHYLLUM, AMODRA, TERMINALIA,
DALIA, HAU BECH, RED CEDAR, MANGROVE CEDAR, BILHOOD,
JONACELLA, GAMBHOOPERMA, LABULA, BRUNOUD, MERSARA,
KAKERERE, CANARIUM SPP.
2. GROUP 2-B, MEANS MALAY: ERINA, CELTIS, AMERODI, DILLENIA,
WATER GUM,
3. GROUP 3 MEANS ALL OTHER SPECIES NOT INCLUDED IN GROUP 1
(ROSEWOOD) 2-A AND 2-B
THANKS

This Credit is advised through BANK OF
CREDIT AND COMMERCE HONG KONG LIMITED

under Ref No. 107832
dated 16 JUN 1986

EX68(35)

179

BCCHK 43 18 U P

EX68(35)
266

↓ 262111 PTS
↑ 070322178+

↓ JUN 26 1986 2312

ANZBANK NE22178
↑ 62216 BCCHK HX

TEST █████ FOR USD299,277.- DD. JUN 26 86

REF: G-373/DT

FM: BCC HK LTD., H.K.
TO: AUSTRALIA N NEW ZEALAND BANKING CORP., PORT MORESBY, PUPUA
FQUINEA

DATE: JUNE 26, 1986

PLEASE NOTIFY BENEFICIARY THROUGH THE BANK OF SOUTH PACIFIC LTD.,
HAIGANI BRANCH WE ISSUE IRREVOCABLE DOCUMENTARY
CREDIT NO: LC/GR/861237
SHIPMENT LATEST DATE: JULY 31, 1986
EXPIRY DATE: AUGUST 14, 1986 IN HONG KONG

APPLICANT: ANGUS INVESTMENT PTE LTD., 250, NORTH BRIDGE ROAD,
NO. 39-00 RAFFLES CITY TOWER, SINGAPORE 0617.

BENEFICIARY: ANGUS (PNG) PTY LTD., SUITE 302 PACIFIC VIEW,
P.O. BOX 2755, BOROKO, PAPUA NEW GUINEA.

AMOUNT: USD299,277.00 (SAY UNITED STATES DOLLARS TWO HUNDRED NINETY
NINE THOUSAND TWO HUNDRED SEVENTY SEVEN ONLY

THIS CREDIT IS AVAILABLE WITH ANY BANK BY NEGOTIATION OF
BENEFICIARY'S DRAFT AT SIGHT DRAWN ON APPLICANT.

PARTIAL SHIPMENTS ALLOWED

TRANSHIPMENTS NOT ALLOWED

SHIPMENT FROM PAPUA NEW GUINEA TO NAGOYA-JAPAN.

EVIDENCING THE FOLLOWING GOODS:

ABOUT 3,000 CUBIC METER OF PAPUA NEW GUINEA FRESH CUT ROUND LOGS
CNF NAGOYA, JAPAN, DETAILS AS FOLLOWS:

SPECIES	VOLUME	PRICE PER CUBIC METER CNF
---------	--------	---------------------------

GROUP 1 (ROSEWOOD) ABT.	900 CUBIC METER	USD155.00	139,500	520h	165	108,500
⑥ TUAN	600 CUBIC METER	72.00	43,200		82	49,200
GROUP 2-A AND WALNUT	390 CUBIC METER	68.00	26,520		78	31,420
GROUP 2-B	360 CUBIC METER	60.00	21,600		70	25,200
GROUP 3	750 CUBIC METER	55.00	41,250		65	48,750
			277,070			302,070

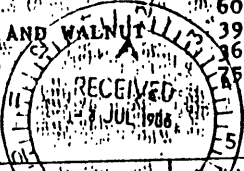
SIGNED DOCUMENTS REQUIRED:

1) SIGNED INVOICE(S) IN QUADRUPLICATE.

BANK
P O BOX 9252 SCHEDULE 12
HONOLULU
PAPUA NEW GUINEA
1 JUL 1986

A118

DOCUMENTARY CREDIT		Issuing Bank's No. LC/GR/861237	Advising Bank's No. 0005/8902																		
Issuing Bank BANK OF CREDIT AND COMMERCE HONGKONG ISLAND CENTRE 18 HARCOURT ROAD ADMIRALTY CENTRE TOWER TWO HONGKONG		Applicant ANGUS INVESTMENT PTE LTD, 250, NORTH BRIDGE ROAD, NO. 39-00 RAFFLES CITY TOWER, SINGAPORE 0617																			
Beneficiary ANGUS (PNG) PTY LTD SUITE 502 PACIFIC VIEW P.O. BOX 2755 BOROKO, PAPUA NEW GUINEA.		Amount USD299,277.00 (SAY UNITED STATES DOLLARS TWO HUNDRED NINETY NINE THOU SAND TWO HUNDRED SEVENTY SEVEN ONLY)																			
Expiry Date AUGUST 14, 1986 IN HONGKONG																					
Dear Sirs, The above named issuing bank/branch of this bank have informed us they have opened their IRREVOCABLE DOCUMENTARY CREDIT DATED JUNE 26, 1986 in your favour available APPLICANT																					
<input checked="" type="checkbox"/> For payment/acceptance of your draft(s) at SIGHT drawn on APPLICANT accompanied by the following documents:																					
<input type="checkbox"/> For payment against presentation of the following documents:																					
(1) SIGNED INVOICE (S) IN QUADRUPLICATE																					
(2) FULL SET, CLEAN ON BOARD OCEAN BILLS OF LADING MADE OUT TO ORDER AND ENDORSED IN BLANK, MARKED FREIGHT PREPAID AND NOTIFY SANKO CO., TOKYO INTERNATIONAL, P O BOX 5032, TOKYO JAPAN.																					
SHIPMENT LATEST DATE: JULY 31, 1986																					
EVIDENCING SHIPMENT OF: ABOUT 3,000 CUBIC METER OF PAPUA NEW GUINEA FRESH CUT ROUND LOGS CNF NAGOYA, JAPAN, DETAILS AS FOLLOWS:																					
<table border="1"><thead><tr><th>SPECIES</th><th>VOLUME</th><th>PRICE PER CUBIC METER</th></tr></thead><tbody><tr><td>GROUP 1 (ROSEWOOD)</td><td>ABT. 900 CUBIC METER</td><td>USD155.00</td></tr><tr><td>TUAN</td><td>600 CUBIC METER</td><td>72.00</td></tr><tr><td>GROUP 2-A AND WALNUT</td><td>390 CUBIC METER</td><td>68.00</td></tr><tr><td>GROUP 2-B</td><td>160 CUBIC METER</td><td>60.00</td></tr><tr><td>GROUP 3</td><td>250 CUBIC METER</td><td>55.00</td></tr></tbody></table>				SPECIES	VOLUME	PRICE PER CUBIC METER	GROUP 1 (ROSEWOOD)	ABT. 900 CUBIC METER	USD155.00	TUAN	600 CUBIC METER	72.00	GROUP 2-A AND WALNUT	390 CUBIC METER	68.00	GROUP 2-B	160 CUBIC METER	60.00	GROUP 3	250 CUBIC METER	55.00
SPECIES	VOLUME	PRICE PER CUBIC METER																			
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GROUP 2-A AND WALNUT	390 CUBIC METER	68.00																			
GROUP 2-B	160 CUBIC METER	60.00																			
GROUP 3	250 CUBIC METER	55.00																			
Evidencing Shipment of																					
From PAPUA NEW GUINEA To NAGOYA - JAPAN		Partial Shipments ALLOWED Transshipment NOT ALLOWED																			
Special Conditions A) ALL CHARGES UNDER THIS CREDIT OUTSIDE HONGKONG ARE FOR ACCOUNT OF BENEFICIARIES.																					
B) NEGOTIATING BANK MUST FORWARD ALL DOCUMENTS TO OUR BANK, HONGKONG ISLAND CENTRE, 18 HARCOURT ROAD, ADMIRALTY CENTRE TOWER TWO, 5/F, HONGKONG IN TWO CONSECUTIVE REGISTERED AIRMAIL.																					
All negotiations must be endorsed on this letter of advice. CONTINUE PAGE 2																					
<input checked="" type="checkbox"/> Details of this credit are advised without engagement or responsibility on our part																					
<input type="checkbox"/> We undertake that drafts marked as drawn under this credit and presented in conformity with the terms of this credit will be duly honoured.																					
<input type="checkbox"/> We have been requested to add our confirmation to this credit and we therefore undertake that any drafts drawn by you in accordance with the terms of the credit will be negotiated by us without recourse.																					
*Applies only when completed thus <input checked="" type="checkbox"/>																					



EX68(35)

Wusean Manager

181

SUBJECT TO UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1974 REVISION): INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 290



ANGUS

(PNG) PTY. LTD.

SCHEDULE 13

fax transmission

No.: 7-15

(total 2 pages)

Suite 502, Pacific View,
PO Box 2755
Boroko,
Papua New Guinea.
Tel: (675) 258237
Telex: NE 23341

Date: 17th July 1986

File Ref.: 2-1-5(2)

To: M.A. Ang

From: FC Cheah

cc: C. Koh

Re: Timber Sales: Sanko

Presently discussing with Mr Sano and Mr Toya and following points for your immediate comments please.

(a) 1st Shipment

Minimum Rosewood allowed	400m3
Laycon	7-12th August 1986
Percentage small:regular	30:70

EX68 (35)
60.

(b) 2nd Shipment

Sanko wants to commit for 2nd shipment now under following terms:

(i) Volume requested 6,000m3

(We requested 7,000m3.)
Sanko can consider extra 1,000m3
subject to shipping and size of
logs.

(ii) Laycon - date 7 - 15 September

C&F Prices	Rosewood	US\$160.00	-20%
	Taun	78.00	40%
	Group 2A	75.00	10%
	Group 2B	67.00	10%
	Group 3	62.00	20%

(iii) Percentage small:regular 35:65

(iv) Discharge Ports

- (1) Nagoya
- (2) Tokyo area or Imari Port in Kyushu

(v) Reasons for Price Decrease

1. Less Rosewood
2. Higher percentage of small:regular

(c) 3rd Shipment

1st priority to Sanko subject to price review.

.... /2

To: M.A. Ang
From: FC Cheah

(d) Financial Assistance

1. 2nd LC can be established immediately
2. 3rd LC revolving up to US\$1.5M.
3. Request Red Clause for 1st and 2nd LC and Mr Sano is submitting proposal to Japan HQ for very serious consideration. Regret maximum 70% draw down.

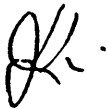
Regards,



F.C. Cheah.

EX68(35)

60.





ANGUS

(PNG) PTY. LTD.

SCHEDULE 13

Fax Transmission

No.: 7-19

(total 3 pages)

Suite 502, Pacific View, A
PO Box 2755
Boroko,
Papua New Guinea.
Tel (675) 258237
Telex: NE 23341

Date: 17th July 1986

File Ref.: 2-1-5(2)

To: M.A. Ang

From: F.C. Cheah

cc: C. Koh

Discussion with Japanese Buyers

(1) Present

Mr T. Sano - Sanko Co.
Mr T. Toya)
Mr H. Tomita) - Tonan Sangyo Co.
FC & JK

EX68(35)
59

(2) First Shipment

Minimum Rosewood

400m3

Laycan

7 - 12th August 1986

Diameter of Logs

Small:Regular ≠ 30:70

Shipping

to be arranged by Angus Investment,
Singapore

Port of Discharge

Nagoya

Shortfall of Rosewood to be shipped in 2nd shipment to make up the total contracted volume of 900m3. In view of this, the pricing structure for the 2nd shipment is pegged to a 20% Rosewood composition BUT if the export volume is 6,000m3 then the LC shall show the Rosewood composition to be 28%.

(3) Second Shipment

(i) Volume requested

6,000m3

(We requested 7,000m3.)

Sanko can consider extra 1,000m3
subject to shipping and size of
logs.

(ii) Laycan - date

7 - 15 September

C&F Prices

Rosewood

US\$160.00 -20%

Taun

78.00 40%

Group 2A

75.00 10%

Group 2B

67.00 10%

Group 3

62.00 20%

Ask for volume of 11.25 = 2

ing
Cheah

- (iii) Percentage small:regular 35:65
- (iv) Discharge Ports (1) Nagoya
(2) Tokyo area or Imari Port in Kyushu
- (v) Reasons for Price Decrease 1. Less Rosewood
2. Higher percentage of small:regular
- (vi) Average FOB price (less \$21.00 shipping) US\$68.80/m3

EX 68 (35)

59

(4) Third Shipment

1st priority to Sanko subject to price review.

In this shipment the composition of Rosewood shall be 30% and the Small:Regular shall be 30:70. The FOB price is expected to average about US\$80.00/m3. Therefore all the future FOB price shall be above the projected cash flow price of US\$75.00/m3.

- (5) Commencement of logging operations is from the village of Sabiribo at Millport Harbour. A 7km logging road has to be constructed in order to reach the Rosewood country. This initial roading is hilly and traverses across predominantly Taun forest, thus the Rosewood shortfall is due to logging in hilly areas where Taun dominates and if the weather is favourable and the machines are working at 60% capacity, then the Rosewood area shall be harvestable towards the middle of August.

In order to upgrade the logs and to improve the FOB price, all small Group 3 logs shall not be harvested and all Rosewood logs small and regular shall be harvested - this is selective logging and can be implemented as our logging licence can permit us to adopt this method. Leftovers can be harvested when the sawmill is in operation.

- (6) The Japanese buyers had visited the Rosewood areas and confirmed that the Rosewood composition of 30% is harvestable. Thus 3rd and future shipments of 30% Rosewood is achievable and they are therefore most interested to contract for the 120,000m3 i.e. Angus 1st Annual Coupe.

(7) Delay of First Shipment

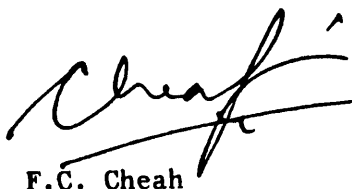
Mr Toya of Tonan Sangyo is the largest trading organization in exotic timber species in Japan -- Teak, Rosewood and Philippine Narra. The whole Japanese market for exotic timbers are now waiting for this first shipment from Angus and their reaction and acceptance would thus decide the future prices of Angus Rosewood. Because of the shortfall, they recommend a slight delay in order for us to ship at least 400m3 and I do agree with their recommendation. We do realize the reaction of our bankers in HK, but nevertheless the favourable acceptance in Japan, better prices and greater demand are of paramount importance to Angus and its future logging operations in PNG.

MA Ang
om: FC Cheah

(8) Recommendation

- A) 1st Shipment -- 7 to 12th August
- B) 2nd Shipment -- 7 to 15th September
6,000m3 - 7,000m3 with 20% Rosewood.
- C) Request Red Clause LC with 70% draw down.
- D) Negotiable for 3rd Shipment at prices higher than 1st shipment
and with US\$1.5m revolving LC. Rosewood 30%.

We look forward to your views and comments.


F.C. Cheah

EX 68 (35)
59

JK.

A322

EX68(35)

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AUG 28 1986 2045

0

ANGUS NE23341

ZCZC REF: AUG/373

DD : 28/8/86

TO : AG PNG

CC : INTERNAL (CM, 1

FM : AG SG

RE : YR FAX TODAY

1. 1ST CONTRACT BANKO. STILL DISCUSSING WITH BCC HOW TO EXECUTE THIS TRANSACTION BECOS MASTER LC IS TO AG INV WHICH MAY HV PROBLEM U KNOW. BANKERS STILL TO ASCERTAIN WHAT LEGALLY CAN BE DONE TO EFFECT B/B LC TO AG PNG. PERHAPS HV TO ASK SANKO TO CHANGE BENEFICIARY OF 1ST LC TO ANOTHER UNENCUMBERED CO IN HX, THEN B/B LC TO PNG. IN ANY CASE, REASONABLY CONFIDENT THERE WILL BE LC FOR 1ST CONTRACT TO AG PNG B4 SHPMT HOPEFULLY BY END NEXT WK.

2. LC FOR 2ND CONTRACT. NO PROBLEM GETTING MASTER LC TO BE B/B TO AG PNG. IF THIS IS IN ORDER, CAN GIVE INSTRN TO BCC TOMORROW. BUT MAY NOT BE SURE IF THIS WILL MEET MEP.

3. 1ST SHPMT. LATEST INFO M. PILAR ETA MILLPORT 12/9. WILL KEEP INFORMED.

B.RGDS - C.KOH GMD

0

ANGUS NE23341

ANGUSG RS55671

VVVV



ANGUS

#39-00, Raffles City Tower,
Singapore 0617
Tel: (65) 3371111
Telex: RS 55671 ANGUSG
Fax: 3387333

SCHEDULE 15

FACSIMILE TRANSMISSION

A372

OUR REF : 321/86

DATE : 3 SEPT '86

YOUR FAX REF NO: _____

TO : SANKO S'PORE

CC : BCC HK (ATN: MR DAROO/HASSAN)

FM : AG S'PORE

RE : PNG LOGS

1. SANKO HAS OPENED 2 LCS
 - A. LC 012-LC-107832 FOR 3,000M³.
 - B. LC 012-LC-108125 FOR 6,000M³.
2. WE NEED THESE LCS TO BE AMENDED. PLS SEE OUR FAX 318/86 OF 3 SEP.
3. FOR 1ST LC, APPRECIATE IF SANKO CUD ESTABLISH NEW LC TO "ASIOFUNDS LIMITED 16TH FLOOR, CHEKIANG FIRST BANK BUILDING, 60 GLOUCESTER ROAD, WANCHAI, HONG KONG" INCORPORATING THE TERMS ON SHPMT & LC EXPIRY DATES & DIA ASSORTMENT AS PER OUR FAX 318/86. ASIOFUNDS LTD'S ADVISING BANK IS ALSO BCC.
4. THE ORIGINAL 1ST LC, WE WILL NOT NEGOTIATE. IN ANY CASE, WE CANNOT NEGOTIATE WITHOUT MR SANO'S OR MR ABE'S INSPECTION CERTIFICATE. OUR REQUEST FOR NEW LC IS BECOS OF REGULATIONS IN PNG, ON 'ARMS LENGTH TRADING' AS EXPLAINED TO YOU ON PHONE.
5. APPRECIATE IF SANKO CAN OPEN NEW LC & AMEND 2ND LC AT YR EARLIEST CONVENIENCE.

BEST RGDS

CHARLIE KOH (GMD)

EX68(35)

243

THIS TRANSMISSION CONSISTS OF ____ PAGES INCLUDING THIS PAGE. IF THIS TRANSMISSION IS RECEIVED INCOMPLETE OR UNCLEAR, PLS ADVISE IMMEDIATELY.

SCHEDULE 16



ANGUS

Date: 4/9		Time: 1600 hrs	
To	Info	Action	Initial
FC	OK		
JK	OK		
K.C.			AK

A381

230-00, Matties City Tower,
Singapore 0817
Tel: (65) 3371111
Telex: RS 55871 ANGUSG
Fax: 3387333

FACSIMILE TRANSMISSION

OUR REF : 330/86

TOTAL PAGES : 1

DATE : 4 SEPT 1986

YOUR FAX REF NO: —

TO : AG PNG

CC : INTERNAL (CM, MS), CN

FM : AG SG

RE : SUMMARY OF DISCUSSION BTWN C KOH / FC CHEAH ON 3/9/86 AS FOLLS:

**SUMMARY OF DISCUSSION BETWEEN
CHARLIE KOH & F C CHEAH ON 3/9/86**

1. 1ST LC.

PNG to give approval to BCC to release this LC and subsequently, BCC to give approval to Sanko's bank to release Sanko's LC. Upon receipt of this clearance from BCC, Sanko will open fresh LC to Asio Funds. Subsequently, Asio Funds to back LC to PNG.

EX68(35)

2. 2ND LC.

HK to back LC to PNG with terms to meet the MEP.

250

3. LONG TERM CONTRACT WITH SANKO.

Possibility of contract with Sanko for 6,000M³ per mth for 6 mths at fixed price with the remaining production also to Sanko but at negotiated price. Hopefully, to get contract firmed up by 10/9/86 to enable LC to be established by 15/9/86 for LC to be backed to PNG by 20/9/86 to assist PNG on securing financing from B.S.P.

4. MARKETING.

PNG to discuss with lawyers to firm up marketing contract between Ag PNG and HK marketing company based on the draft agreement handed over to FC Cheah. Sales price from PNG to marketing company will be MEP + 5%. This 5% is as marketing fee to the marketing company.

5. SHIP.

(A) Maria Pilar.

To monitor daily progress and inform PNG.

(B) Silver Shan (6,000M³).

Lauren between 28/9 to 5/10. To confirm.



SCHEDULE 17

ANGUS

(PNG) PTY. LTD.

A409

洪嘉投資有限公司

Suite 502, Pacific View,

P.O. Box 2755

Boroko,

Papua New Guinea,

Tel: (675) 258237

Telex: NE 23341

Fax: (675) 214542

FACSIMILE TRANSMISSION

This transmission consists of³..... pages including this page.

Please advise immediately if transmission is incomplete or unclear.

Transmission No.:

Date:**8 SEPT '86**.....

To:**MR. CHARLIE KOH**.....

From:**F. C. CHEAH**.....

Re:**LK PRICING**.....

EX68(35)
72

A 410

CONTRACT NO. 1

Confirm L/C for Contract No. 1 to amount to USD187,590. Prices per CBM are to be on FOB basis and as recommended as below:

SPECIES	QTY	L/C FROM SANKO TO S'PORE (US\$/CBM) FOB*	MINIMUM EXPORT PRICE (FOB US\$/CBM)	RECOMMENDATION FOR L/C FROM S'PORE TO PNG US\$/CBM (FOB)
Rosewood	900 cbm	143	84.30	95
Taun	600 cbm	60	54.70	58
Group 2A	390 cbm	56	54.70	55
Group 2B	360 cbm	48	41.60	44
Group 3	750 cbm	43	37.19	40
Total FOB	3000 cbm	US\$236,070		US\$187,590

We still have excess of US\$18,480 after lessing US\$30,000 to Singapore (US\$10/cbm). This excess to be utilised in second contract.

*Note : For computation of Sanko's FOB prices, we lessed US\$22/cbm for freight charges from Sanko's CNF price per L/C.

Ex 68 (35)

72

A/51

0

ANGUS NE23341
17518 JUL 18 1986 1056
GOOD EVENING

GA

8682927+
27 ALKEMAL TH
ANGUS NE23341

TO: ALKEMAL
FM: F C CHEAH
REF: 7-33
DT: 18 JUL 86

2-1-5(9)

RYTLX 17/7/86/1856

WE R PLSD TO QUOTE PRICES FOB (PNG) FOR LOGS AS FOLLOWS:

1. ROSEWOOD	US\$195.00/M3
2. TAUN	US\$ 68.00/M3
3. GROUP 2A	US\$ 64.00/M3
4. GROUP 2B	US\$ 53.00/M3
5. GROUP 3	US\$ 48.00/M3

BEST RGDS
F C CHEAH

0

82927 ALKEMAL TH
ANGUS NE2334100000
TIME 001.4 MINS

✓ g/k. (Q) 24/7

EX68(69)

45

also EX68(33)2.

SCHEDULE 19

A158

ANGUS NE23341
05202 JUL 22 1986 0930
GOOD AFTERNOON

GA
22282+
JUL 22 1986 0931

GSQ NE22282
ANGUS NE23341

2-1-5(10)

TO: ERWIN WILHELM
FM: F C CHEAH, ANGUS (PNG)
REF: 7-40
DT: 22 JUL 86

THANK YOU FOR YOUR ENQUIRY AND WE ARE PLEASED TO CONFIRM THE
FOLLOWING:

ROSEWOOD	K195.00/M3
WALNUT	K125.00/M3
KWILA	K 85.00/M3

PRICES FOB MILLPORT HARBOUR

NO. OF LOGS 20 OF EACH SPECIES

LENGTH 4 METRES

GRADE/QUALITY PRIME PEELER / SAW LOG

DIAMETER	ROSEWOOD	500MM
	WALNUT	500MM
	KWILA	600MM

RGDS
FC CHEAH
MANAGING DIRECTOR

GSQ NE22282
ANGUS NE23341000000
TIME 001.9 MINS

EX68(69)

17

OK. W 24/7

AUG 05 1986 1102
ANGUS NE233 SCHEDULE 20
2228363 SANG J

A/89
2815 (7)

ATT: MR F.C.CHEAH
5TH/AUGUST/1986

1. MUCH TKS FOR YOUR N ANGUS PEOPLE'S KIND ATTEND DURING LAST VISIT TO MILLPORT/P.MORESBY.
2. WE WOULD LIKE TO CONFIRM OUR PURCHASE OF PNG ROUND LOGS FROM YOU UNDER THE FLWG TERMS N CONDITIONS :

VOLUME : APPROX 6,000M3.

SPECIFICATION :	R.WOOD	ABT 25PCT (DIA ASSORT:65/25/5)
	TAUN	ABT 30PCT (" " :70/30/NIL
)		
	P.CEDAR	ABT 5PCT (" " :70/30/NIL
)		
	MERSAWA/LABULA/CAL	ABT 5PCT (" " :70/30/NIL
)		
	B.WOOD/CAMP/CANARIUM	ABT 15PCT (" " :70/30/NIL
)		
	DILLENIA/CELTIS/W.GUM	
	AMBEROI	
	GROUP 3.	ABT 20PCT (" " :70/30/NIL
)		

QUALITY : LOGS SHALL BE FRESH, FREE FROM PIN WORMS N OTHER MAJOR DEFECTS.
REPRESENTATIVE OF BUYERS AS A RIGHT TO INSPECT LOGS.

DATE OF SHIPMENT : ON AROUND MID/OCTOBER/1986.
VESSEL'S NAME TOBE NOMINATED LATER.

LOADING PORT : MILLPORT, PNG.

DISCHARGING PORT : JAPANESE PORT(S).

PRICE :	ROSE WOOD	USD230.00/160.00/90.00 FOB
	TAUN	USD63.50/53.50/42.00 FOB
	MERSAWA/LABULA/CAL	USD53.00 FLAT FOB
	B.WOOD/CAMP/CANARIUM/DELLINIA	USD44.00 FLAT FOB
	CELTIS/W.GUM/AMBEROI	
	GROUP 3.	USD40.00 FLAT FOB

PAYMENT : BY IRREVOCABLE LETTER OF CREDIT.

MEASUREMENT : GUARANTEE 100 PCT OF INVOICE VOLUME.

REMARKS : DEMURRAGE AT LOADING PORT, IF ANY, SHALL BE SELLERS ACCOUNT.

TKS N BEST RGDS
SHIN ASAHIGAWA NG PTY LTD TOKYO OFFICE.
K.ASAOKA

2228363 SANG J.....

EX68(53)
5

22
24. 6/8

SCHEDULE 22

A165

EX68(34)
66

JUL 28 1986 1713

ANGUS NE13341 BROADCAST MEMO
ANGUS NE13341
ANGUSG R555671
ZCZC REF: JUL/345
28/7/86

SMR2

TO: SANJO NAGOYA (MR E SUZUKI N MR T SANJO)
CC: AG PNG
BLC
EAPC (HX)
INTERNAL (CM, GGM, MS)
FM: ANGUS INVESTMT

2-1-5(-)

RE: 2ND SHPMT. 6,000M3. SEP 86 SHPMT.

1. WE CFM HVG SOLD TO U THRU AG PNG RE CONTRACT 2-1-5(2) OF 24 JUL 86, PNG FRESH CUT ROUND LOGS AS FLWS:

A. SPECIES/GTY/CNF PRICE

(1) ROSEWOOD	1,500M3	AT	USD161.25/M3
(2) TAUN	2,400M3	AT	79.25/M3
(3) GROUP 2A	750M3	AT	76.25/M3
(4) GROUP 2B	750M3	AT	68.25/M3
(5) GROUP 3	600M3	AT	63.25 M3

B. TERMS N CONDITIONS

- (1) CNF PRC. FOR 2 PORT DISCHRG. NAGOYA N TOKYU/IMARI PORT.
- (2) DIAMETER ASSORTMT: 60CM UP/48-59CM EACH 70/30.
- (3) LATEST SHPMT: 30 SEP 86.
- (4) RED CLAUSE TERM:

"70 PCT OF LC AMT CAN B DRAWN UPON BY BENEFICIARY ANYTIME AFTER OPENG OF LC AGAINST BENEFICIARY'S CERT THAT BENEFICIARY WL REFUND TO LC OPENER THE ENTIRE AMT DRAWN IN THE EVENT THAT BY THE EXPIRY DATE OF THIS LC, THEY R UNABLE TO PRESENT DOCS IN COMPLIANCE WITH THIS LC TERMS. IF DOCS R PRESENTED AS PER LC TERMS, LC OPENG BANK WL B LIABLE TO PAY ONLY THE DIFF BETW INVOICE AMT N THE AMT DRAWN UNDER THIS RED CLAUSE CONDITION."

- (5) OTHER TERMS. AS PER YR LC 012-LC-107832.

2. LC TO B OPENED IN FAVOUR OF ANGUS TRADING PTE LTD, 250 NORTH BRIDGE ROAD, HEX 39-00 RAFFLES CITY TOWER, SINGAPORE 0617, WITH ADVISING BANK AS BANK OF CREDIT N COMMERCE INTERNATIONAL, 8TH FLOOR, ADMIRALTY CENTRE TOWER 1, HARCOURT ROAD, HONG KONG.

RE: LC AMENDMT. LC N. 012-LC-107832.

PLS EXTEND LATEST SHPMT N LC EXPIRY DATE TO 30 AUG '86 N 14 SEP 86 RESPECTIVELY.

S. PEDS - C. KOH

02/17

2

SCHEDULE 23

SANKO CO., LTD.

SANKO CO., LTD.

P.O. BOX CENTRAL 48, NAGOYA

BLE ADDRESS:
RACE SANKO"
LEX 4422280 GRASAN

Messrs. ANGUS (PNG) PTY. LTD.
Suite 502, Pacific View P.O.Box 2577
Boroko, Papua New Ginea.

Dear Sirs,

Re: P.N.G FRESH CUT ROUND LOGS

We enclose herewith Our Sales Note No.ES-1268.

Please confirm by counter signing on the duplicate copy of the Sales Note and
return to us.

Thank you.

Received		2-5-2		
Date: 18/9/86		Time: hrs		
To	For			Initial
	Info.	Action	Comment	
F.C.				
J.K.				
K.C.	2/10			

We do not inclat Yours faithfully, and P.P.

SANKO CO., LTD.
NAGOYA BRANCH Sept.
should pay 15/

P.P. MANAGER

EX68(38)

107

HEAD OFFICE : P.O. Box International 5032, Tokyo. Telex 2223839 GRASAN Tel. (03)211-3531
OSAKA BRANCH : P.O. Box Higashi 62, Osaka. Telex 5227550GRASAN Tel. (06)202-2321
NAGOYA BRANCH : 1, 4-chome, Horiuchi-cho, Nakamura-ku, Nagoya. Tel.(052)551-1171

P.P. MANAGER

KINDLY SIGN AND RETURN ATTACHED CARBON COPY AS YOUR ACCEPTANCE OF THE ABOVE.

SANKO CO., LTD. Nagoya, Japan.

A222

ES-1268 ATTACHED SHEET

<u>Species</u>	<u>Volume</u>	<u>Price C&F FO NAGOYA and TOKYO/IMARI PER M3</u>
ROSEWOOD	about 1,500M3	US\$161.25
TAUN	2,400M3	79.25
Group 2A	750M3	76.25
Group 2B	750M3	68.25
Group 3	600M3	63.25
Total:	about 6,000M3	US\$578,400.00

Diameter assortment: 60cm up/48-59cm each 70/30%

emarks:

- 1) Group 2A. means CALPHYLLUM, AMMORA, TERMINALIA, AGLAIA, WAU BEECH, RED CEDAR, MANGROVE CEDAR, SILKWOOD, BURCKELLA, CAMPNOSPERMA, LABULA, BASSWOOD, MERSAWA, KAMERERE, CANARIUM SPP.
- 2) Group 2B. means MALAS, ERIMA, CELTIS, AMBEROI, DILLENIA, WATER GUM.
- 3) Group 3. means all other species not included in Group 1, 2A and 2B.
- 4) Payment: US\$300,000.00 by T/T,
US\$278,400.00 by L/C at sight,
in case, ANGUS (PNG) PTE LTD will fail to Deliver this Shipment by 30th Sept,
1986, ANGUS TRADING PTE. LTD, should pay US\$303,473.00 to SANKO CO. LTD.,
NAGOYA BRANCH on Oct., 1986.
/1st

EX68(38)

107

SANKO CO., LTD.
NAGOYA BRANCH
BRANCHP. P. MANAGER
P. P. MANAGER

P. P. MANAGER

KINDLY SIGN AND RETURN ATTACHED CARBON COPY AS YOUR ACCEPTANCE OF THE ABOVE.

SANKO CO., LTD.

NAGOYA OFFICE

P.O. BOX NO. 48 NAGOYA CENTRAL

35, 4 SHOMI NIKKI

NAGAKU, NAGOYA, JAPAN

SANKO CO., LTD.

ORDER NO. ES-1268

P.O. BOX CENTRAL 48, NAGOYA
NAGOYA, 7th August, 1986.**A225**

ANGUS (PNG) PTY. LTD.

Messrs. Suite 502, Pacific View P.O. Box 2755

Boroko, Papua New Guinea.

Ref No. NQ-440.

We take pleasure in confirming the following PURCHASE with your
goodselves for the undermentioned merchandise according to the following terms
& conditions.

Dear Sirs,

Description: P.N.G FRESH CUT ROUND LOGS

P.N.G FRESH CUT ROUND LOGS

Quantity: About 6,000M3

Subject to variation plus/minus

10 % (TEN percent).

Price & Amount: C&F NAGOYA & IMARI OR TOKYO AREA

TWO PORTS DISCHARGE

Shipment: Sept, 1986. from Millport Harbour, P.N.G.

Payment: By irrevocable and confirmed Letter of Credit available against
at sight Draft and documents,

Received to be established in favour of Seller. Plus advance payment

US\$300,000.00

Insurance: To be covered by Buyers/Sellers

Freight: To be payable by Buyers/Sellers

Destination: NAGOYA & IMARI OR TOKYO AREA

~~XXXXXXXXXX~~

Remarks: 1) Quality: Inspection by buyers representative before Loading is
final, buyers inspector holds rights to reject old and
or defected logs before loading.
2) Volume: By rescaling List in Japan (issued by the government
authorized scaler) is final, any difference between Log List
and the rescaling List must be settled by T/T remittance
after results obtained immediately.

~~XXXXXXXXXX~~

Other Remarks as per Attached Sheet.

~~XXXXXXXXXX~~

ACCEPTED:

EX68(35)

107

SANKO CO., LTD.

NAGOYA BRANCH

Telex 222221 SANKO JPN Tel 403211 3531

52275506 PASAN

Tokyo, Nagoya

P. P. MANAGER

KINDLY SIGN AND RETURN ATTACHED CARBON COPY AS YOUR ACCEPTANCE OF THE ABOVE.

**ANGUS**

A228
 Singapore 0617
 Tel: (66) 3371111
 Telex: RS 85871 ANGUSG
 Fax: 3387333

FACSIMILE TRANSMISSION

1-2-1

OUR REF: 214/86DATE : 13 AUGUST 1986

YOUR FAX NO : _____

EX68(72)

TO : AG PNG (ATN: FC CHEAH & CL CHIN)

38

CC : INTERNAL (GMD, GGM, MS, TAN SRI, ANDREW)FM : AG HQ - MOHAMMAD ABDULLAH ANGRE : **CONFIRMATION OF FUNDING POSITION**

1. AS MENTIONED TO U ON PHONE YESTERDAY, AG PNG WILL KEEP TOTAL OF FUNDS (APPROX USD206,000) FM NEGU OF 1ST SHIPMT.

2. FM 2ND SHIPMT FUNDS, WE ARE ALLOCATING USD100,000 TO AG PNG BY NEXT WK AND ANOTHER USD70,000 TO AG PNG UPON NEGOTIATION OF 2ND SHIPMT'S LC.

3. FM 3RD SHIPMT, ASAHIGAWA'S 6,000M³, WE ARE PLANNING ON ALLOCATION OF USD200,000 TO AG PNG FM RED CLAUSE OR BY PRESHIPMENT FINANCING AFTER RECEIPT OF LC HOPEFULLY BY MID SEPT.

4. GMD WILL BE IN PNG 15/8/86. PLS DISCUSS DETAILS WITH HIM ON YR OPERATION SO THAT THE FIRST 3 SHIPMENTS WILL NOT FACE ANY DIFFICULTY N TO MAINTAIN OUR CREDITABILITY WITH OUR BANKERS.

5. I HV SPOKEN TO ANDREW ON THE INDO USD25 MILLION TEXTILE FACTORY LAST NIGHT. I AM STILL AWAITG THE DRAFT AGREEMENT N WILL SEND NECESSARY TO U UPON RECEIPT. THIS VENTURE WILL ALLOW AG PNG TO MAKE STRONG IN ROAD TO INDO N TO GIVE CRITICAL CREDIT TO ANDREW N BENNY.

6. I EXPECT TO BE IN PNG WITH CHARLIE ON TOMORROW'S FLT. WILL INFO U.

BEST RGDS

MOHAMMAD ABDULLAH ANG - CHAIRMAN

Q. OK. 15/8

THIS TRANSMISSION CONSISTS OF 1 PAGE. PLS ADVISE IMMEDIATELY IF TRANSMISSION IS INCOMPLETE OR UNCLEAR.


ANGUS

(PNG) PTY. LTD.

Fax Transmission

No.:

229
 Suite 502 Pacific View
 PO Box 228
 Boroko,
 Papua New Guinea,
 Tel: (675) 258237
 Telex: NE 23341
 Fax: (657) 214542

Date: 13TH AUGUST 1986

File Ref.: 214/86 FAX 13 AUG 86

To: AGHQ - MOHAMMAD ABDULLAH ANG From: AG PNG - FC CHEAH
 cc: INTERNAL (GMD, GGM, MS, TAN SRI, ANDREW)

1. THANK YOU FOR YOUR ABOVE FAX AND THE ALLOCATION OF FUNDS FOR PNG OPERATIONS.
2. PLEASE BE KINDLY INFORMED OF THE FOLLOWING:-
 - A) MAMAI ESTATES - BANK OF SOUTH PACIFIC (BSP) CONSIDERING K250,000 LOAN TO ANGUS PNG FOR PURCHASE OF ESTATE FROM STEAMSHIPS BY 31-8-86.
 - B) BSP HAS EXTENDED O/D FACILITY OF K100,000 TILL END OF OCTOBER 1986 AND K100,000 TEMPORARY O/D TILL 1ST LC NEGOTIATED.
 - C) BSP CONSIDERING L/C 180 DAYS FOR PURCHASE OF 4 UNITS OF TRACTORS COSTING K143,500.
 - D) BSP CONSIDERING OUR APPLICATION FOR BANKER'S GUARANTEE TO FOREST DEPARTMENT AS PER CLAUSE 21 - TIMBER PERMIT FOR K76,000.
 - E) BSP EXTENDED LC FOR SPARE PARTS AMOUNTING TO S\$30,000.
 - F) CREDIT CORPORATION AND INDTRAC LEASING FINANCE FOR EQUIPMENT FOR K1.25 MILLION.
 - G) CREDIT FACILITIES FROM ABOUT 20 MAJOR COMPANIES BEING SECURED BY ANGUS.
3. ABOVE ITEMS 2(A-E) WERE SECURED FROM BSP ON OUR PROMISE AND ABILITY TO OBTAIN RED CLAUSE LC FROM SANKO ON 2ND SHIPMENT AND TO BE ABLE TO DRAW DOWN AMOUNTING TO K300,000.
4. BSP MONITORS OUR DAILY BANK BALANCE AND ANY CHEQUES ISSUED MUST RECEIVED THEIR PRIOR APPROVAL.
5. I WOULD LIKE TO PUT ON RECORD STATEMENT MADE BY MR. BILL CARLISLE "I AM EXTENDING ALL THESE FACILITIES TO ANGUS BECAUSE I BELIEVE YOU AND JOHN CAN DELIVER AND PERFORM RATHER THAN ON THE COMPANY'S TRACK RECORD".
6. I FIRMLY BELIEVE THAT THE CRUX OF THE MATTER AND THE MAIN ISSUE IS THIS:- HAVING TOLD BILL ON THE RED CLAUSE OF K300,000 AND NOW ONLY ABLE TO DELIVER K100,000, THE TRUST HE HAS ON US AND OUR CREDIBILITY IS NOW TOTALLY SHATTERED.
7. YOUR ARGUMENT AND EXPLANATION ON RED CLAUSE OR TT IS IRRELEVANT TO THE MAIN ISSUE. THE BOTTOM LINE IS:- SANKO HAS FULFILLED THEIR COMMITMENT BY ADVANCING YOU K300,000 AND ANGUS CAN ONLY DELIVER K100,000 TO BSP.
8. I WOULD LIKE TO GO ON RECORD THAT THE FACILITIES FOR ITEMS 2(A), (C), (D) WILL DEFINITELY NOT RECEIVE ANY CONSIDERATION FROM BSP.

IMPLICATION: (A) STEAMSHIPS SHALL SUE ANGUS FOR NON-PERFORMANCE (ALTHOUGH WE HAVE MANAGED TO USE THE GOOD OFFICE OF MR. BILL CARLISLE TO EXTEND THE DATE OF SALES FOR ANGUS).

(B) WITHOUT THE 4 UNITS OF TRACTORS THE TARGET OF 12,000 M3 CAN NEVER BE ACHIEVED; AND

LASTLY, WITHOUT THE K76,000 BG EXPORT OF LOGS AND TIMBER OPERATIONS SHALL BE TERMINATED.

EX68 (72)

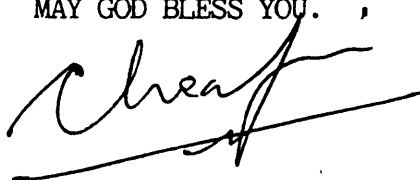
A230

FACSIMILE TRANSMISSION, PAGE TWO

MAT, I AM PUTTING ALL THESE FACTS TO YOU IN THE HOPE THAT GOOD SENSE AND CALM JUDGEMENT SHALL PREVAIL AND AS A BROTHER I IMPORE YOU TO RECONSIDER YOUR PROPOSALS AS I DO NOT THINK A SHORT TERM SOLUTION TO TEMPORARILY SOLVE THE PRESENT CRISIS IN SINGAPORE TO THE LONG TERM BENEFITS THAT CAN BE HARVESTED FROM THE PNG OPERATIONS. YES MAT, I WRITE WITH A HEAVY HEART AND OUR LONG YEARS OF ASSOCIATION AND OUR ENDEAVOUR TO BUILD A BETTER FUTURE FOR ALL OF US AND OUR FAMILIES SHALL NOT BE JEOPARDISED AND ALL OUR DREAMS AND HARDWORK CAME TO NOUGHT.

MAY GOD BLESS YOU.

F.C.

EX68 (72)
14

2nd shipment of logs.

A253

BANK OF CREDIT AND COMMERCE HONG KONG LIMITED

FOREIGN TRADE DEPARTMENT

HONG KONG ISLAND CENTRE
ADMIRALTY CENTRE TOWER II,
8TH FLOOR, HONG KONG
TELEPHONE: 2-22222
TELEX NO. 4007 HKHNS
CABLE ADDRESS: "BOCHKHNS"

HONGKONG CENTRE
25-27 CANNARVON ROAD,
TUNGSHAN TOWER, HONGKONG
TELEPHONE: 2-21811
TELEX NO. 4007 HKHNS
CABLE ADDRESS: "BOCHKHNS"

NEW TERRITORIES CENTRE
SUITE 201, 10-12 TAI HO ROAD,
TUNGSHAN WALK, NEW TERRITORIES
HONG KONG
TELEPHONE: 2-22222
TELEX NO. 4007 HKHNS
CABLE ADDRESS: "BOCHKHNS"

OUR REFERENCE NO.

FC-266169

To ANGUS TRADING PTE LTD., Hongkong, 1986-08-14
250 NORTH BRIDGE ROAD,
HEX 39-00 RAFFLES CITY TOWER
SINGAPORE 0617

Dear Sirs,

Without any engagement on our part, we beg to inform you that we have received an
authenticated/unauthenticated telex/memo/letter dated 1986-08-12
from The Bank of Tokyo, Tokyo
under their L/C No. 012-LO-108125 for USD278,400.00
as per copy/copies attached.

EX 68(34)

59

SMP2



PLEASE EXAMINE THE ATTACHED INSTRUMENT
CAREFULLY. IF YOU ARE UNABLE TO COMPLY
WITH THE TERMS OR CONDITIONS, PLEASE
COMMUNICATE WITH YOUR BUYER TO ARRANGE
FOR AN AMENDMENT. THIS PROCEDURE WILL
FACILITATE PROMPT HANDLING WHEN DOCU-
MENTS ARE PRESENTED.

Please note that this is merely an advice on our part and does not constitute a
confirmation of this credit. As the above message is reproduced exactly as per telex
received by us, this bank is unable to accept any responsibility for errors either in
spelling, transmission and translation of this telex or for any amendments that may be
necessary.

Kindly acknowledge receipt by returning the attached form duly signed, and oblige.

THIS ADVICE IS SUBJECT TO THE "UNIFORM
CUSTOMS AND PRACTICE FOR DOCUMENTARY
CREDITS" (1983 REVISION) INTERNATIONAL
CHAMBER OF COMMERCE (PUBLICATION NO. 400).

Yours faithfully,
For BANK OF CREDIT AND COMMERCE HONG KONG LTD.

SCHEDULE 26



A254

OUR TLX : TOKAUTBL 956964
LT
BANK OF CREDIT AND COMMERCE HONG
KONG LIMITED
HEAD OFFICE (HONG-KONG)
ADMIRALTY CENTRE TOWER ONE 8 FL.,
HONG KONG

MESSAGE NO 987151 (TCIIPK)
FROM OUR INTERNATIONAL DIVISION

IRREVOCABLE DOCUMENTARY CREDIT NUMBER 012-LC-108125 DATED 12TH Aug 1986
BENEFICIARY ANGUS TRADING PTE LTD., 250 NORTH BRIDGE ROAD,
HEX 39-00 RAFFLES CITY TOWER SINGAPORE 0617

APPLICANT BANKO COLTD TOKYO INTERNATIONAL P.O. BOX 5832 TOKYO
AMOUNT US\$18278,400

EXPIRY DATE FOR NEGOTIATION OCTOBER 31, 1986
WE ISSUE THIS DOCUMENTARY CREDIT AVAILABLE WITH ANY BANK
BY NEGOTIATION OF BENEFICIARY'S DRAFTS AT SIGHT

FOR FULL INVOICE COST
DRAWN ON OUR NEW YORK OFFICE

BEING MARKED AS HAVING BEEN DRAWN UNDER THIS CREDIT AND
ACCOMPANIED BY THE FOLLOWING DOCUMENTS: *made out to*

SIGNED COMMERCIAL INVOICE IN QUINTUPPLICATE
FULL SET CLEAN ONBOARD OCEAN B/L ORDER BLANK ENDORSED

MARKED "FREIGHT PREPAID" & NOTIFY APPLICANT
LOG LIST IN DUPLICATE AND LATEST SEPTEMBER 30, 1986

COVERING 6,000 M3 OF PAPUA NEW GUINEAN ROUND LOGS CANOE
DETAILS AS PER UNDERMENTIONED AS PER CONTRACT NO. ES-1269

Sanko Order Form

SHIPMENT FROM PAPUA NEW GUINEAN PORTS TO JAPANESE PORTS

PARTIAL SHIPMENTS ALLOWED TRANSSHIPMENTS PROHIBITED
DRAFTS AND DOCUMENTS MUST BE PRESENTED FOR NEGOTIATION WITHIN 31
DAYS AFTER B/L ONBOARD DATE, BUT WITHIN CREDIT VALIDITY STOP
THIRD PARTY AND CHARTER PARTY BILLS OF LADING AND THIRD PARTY
DOCUMENTS EXCEPT INVOICE ARE ACCEPTABLE. B/L MARKED ON DECK
CARGO ARE ACCEPTABLE. INVOICE MUST SHOW DEDUCTION OF ADVANCE
PAYMENT OF US\$18300,000 FROM CANOE VALUE OF GOODS.
INSPECTION CERTIFICATE ON INVOICE SIGNED BY MR. T. SANO
(PASSPORT NO. M03622442) OF BANKO COLTD IS REQUIRED. IN CASE
MR. T. SANO WILL NOT BE AVAILABLE DURING AND IMMEDIATELY AFTER
LOADING, THEN INSPECTION CERTIFICATE ON INVOICE IS TO BE SIGNED
BY MR. E. ASE OF BANKO COLTD SINGAPORE BRANCH MANAGER. ALL BANKING
CHARGES INCLUDING STAMP DUTIES ARE FOR ACCOUNT OF BENEFICIARY.
T.T. REIMBURSEMENT IS ACCEPTABLE. IN THIS CASE DRAFTS MUST BE
MARKED CLEARLY "T.T. REIMBURSEMENT EFFECTED" NEGOTIATING BANK
MUST AIRMAIL DRAFTS TO DRAWEE BANK AND ALL DOCUMENTS IN
TWO CONSECUTIVE LOTS

SUBJECT U.C.P. 1983 I.C.C. PUBLICATION 400 PLEASE NOTIFY

SPECIES	VOLUME	PRICE (PER M3 C AND F)
ROSEWOOD	1,500M3	US\$161.25
TRAM	2,400M3	US\$179.25
GROUP 2A	750M3	US\$156.25
GROUP 2B	750M3	US\$156.25
GROUP 3	600M3	US\$163.25
TOTAL	6,000M3	US\$18278,400.00

EX 68(34)

59

DIAMETER ESSORTMENT: 60CM-UP/48-59CM EACH 70/30 0/0

REMARKS:

- GROUP 2-A. MEANS CALOPHYLLUM, AMODRA, TERMINALIA, AGLAIA,
MAY BEECH, RED CEDAR, MANGROVE CEDAR, SILKWOOD,
BURCKELLA, CAMPHOSPERMA, LABULA, BASSWOOD, NERSAWA,
KAMERERE, CANARIUM SPP.
- GROUP 2-B. MEANS MALAB, ERIMA, CELTIS, AMBEROI, DILLENIA,
WATER CUM.
- GROUP 3 MEANS ALL OTHER SPECIES NOT INCLUDED IN GROUP
1, 2-A AND 2-B.

TOKBANK

This Credit is advised through BANK OF
CREDIT AND COMMERCE HONG KONG LIMITED

under Ref No. *2766168*
dated *14 AUG 1986*

Certified true photostat
copy of telex received
For BANK OF CREDIT AND COMMERCE HONG KONG LIMITED

[Signature]
Authorized Signature

SCHEDULE 27

TO: BCC HK LTD., H.K.
NATIONAL AUSTRALIAN BANK, MELBOURNE

DATE: SEPT. 24, 1986

PLEASE NOTIFY BENEFICIARY WE ISSUE IRREVOCABLE DOCUMENTARY
CREDIT NO: L/CO23861892HKE
SHIPMENT LATEST DATE: SEPT. 30, 1986
EXPIRY DATE: OCT. 15, 1986 AT OUR COUNTER

APPLICANT: ANGUS TRADING (S) PTE LTD., 250 NORTH BRIDGE ROAD, 39TH
FLOOR, RAFFLES CITY TOWER, SINGAPORE 0617

BENEFICIARY: ANGUS (PNG) PTY LTD., SUITE 302, PACIFIC VIEW, P.O.
BOX 2755, BOROKO, PAPUA NEW GUINEA.

AMOUNT: USD411,950.00 (SAY UNITED STATES DOLLARS FOUR HUNDRED
ELEVEN THOUSAND NINE HUNDRED FIFTY ONLY)

THIS CREDIT IS AVAILABLE WITH ANY BANK BY NEGOTIATION OF
BENEFICIARY'S DRAFT AT SIGHT DRAWN ON APPLICANT.

PARTIAL SHIPMENTS ARE ALLOWED
TRANSHIPMENT IS NOT ALLOWED
SHIPMENT FROM PAPUA NEW GUINEA TO JAPANESE PORT

EVIDENCING THE FOLLOWING GOODS:
6,000 CUBIC METRES OF PAPUA NEW GUINEAN ROUND LOGS
SPECIES VOLUME (CUBIC METER) PRICE PER CUBIC METER

ROSEWOOD	1,300	USD117.00
TAUN	2,400	80.00
GROUP 2A	750	77.00
GROUP 2B	750	66.00
GROUP 3	600	62.00
	6,000	

DIAMETER ASSORTMENT: 60CM-UP/48-59CM EACH 70/30 U
REMARKS:

- 1) GROUP 2-A, MEANS CALOPHYLLUM, AMOORA, TERMINALIA, AGLAIA, WAU
BEECH, RED CEDER, MANGROVE CEDAR, SILKWOOD, BURCKELLA,
CAMPNOSPERMA, LABULA, BASSWOOD, MERBANA, KAHERERE, CANARIUM SPP.
 - 2) GROUP 2-B, MEANS MALAS, ERIMA, CELTIS, AMBEROI, DILLENIA, WATER
CUM.
 - 3) GROUP 3 MEANS ALL OTHER SPECIES NOT INCLUDED IN GROUP 1, 2-A AND
2-B.
- TOTAL USD511,950.00
C N F JAPAN

SIGNED DOCUMENTS REQUIRED:

- 1) SIGNED INVOICE(S) IN QUADRUPPLICATE.
- 2) FULL SET CLEAN ON BOARD OCEAN BILLS OF LADING MADE OUT TO ORDER
AND ENDORSED IN BLANK, MARKED FREIGHT PREPAID AND NOTIFY
SANKO CO., LTD., TOKYO INTERNATIONAL, P.O. BOX 3032, TOKYO,
JAPAN.
- 3) LOG LIST IN DUPLICATE.
- 4) INSPECTION CERTIFICATE SIGNED BY MR. T. SANO (PASS-
PORT NO. M63822442) OF SANKO CO., LTD. OR SIGNED BY MR. E.ABE
(JAPANESE PASSPORT NO. ME9506780) OF SANKO CO., LTD. SINGAPORE
BRANCH MANAGER.

OTHER TERMS & CONDITIONS:-

- A) ALL BANKING CHARGES UNDER THIS CREDIT OUTSIDE HONG KONG ARE FOR
ACCOUNT OF BENEFICIARY.
- B) NEGOTIATING BANK MUST FORWARD ALL DOCUMENTS TO OUR BANK, HONG
KONG ISLAND CENTRE, 18 MARCOURT ROAD, ADMIRALTY CENTRE TOWER
ONE, 24/F., HONG KONG IN ONE LOT BY COURIER SERVICE.
- C) NOMINATION OF VESSEL TO BE ADVISED BY WAY OF AMENDMENT BY L/C
OPENING BANK.
- D) INVOICE MUST SHOW DEDUCTION OF ADVANCE PAYMENT OF USD100,000.00
FROM C N F VALUE
- E) ALL DOCUMENTS MUST BE PRESENTED FOR NEGOTIATION AND REACH
OUR COUNTER WITHIN 15 DAYS AFTER SHIPMENT DATE, BUT IN ANY EVENT
WITHIN THE VALIDITY OF THIS CREDIT.
- F) ALL DOCUMENTS OTHER THAN DRAFT, INVOICE MUST NOT SHOW VALUE OF
GOODS, UNIT PRICE NOR ANY REFERENCE TO THIS CREDIT.
- G) WE SHALL COVER THE NEGOTIATING BANK AS REQUESTED UPON RECEIPT
OF RELATIVE DOCUMENTS.
- H) ON DECK SHIPMENT IS ALLOWED

THIS IRREVOCABLE DOCUMENTARY CREDIT IS SUBJECT TO THE UNIFORM
CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1983 REVISION,
INTERNATIONAL CHAMBER OF COMMERCE, PUBLICATION NO. 400) AND
PAGES US IN ACCORDANCE WITH THE TERMS THEREOF. THE NUMBER AND
THE DATE OF THIS CREDIT AND OUR NAME MUST BE QUOTED ON ALL DRAFTS
REQUIRED. EACH NEGOTIATION MUST BE NOTED ON THE REVERSE OF THIS

A301

EX 68(35)

274

A S


ANGUS
 (PNG) PTY. LTD.

 洪嘉投資有限公司
 Suite 502, Pacific
 PO Box 2755
 Boroko,
 Papua New Guin
 Tel: (675) 258237
 Telex: NE 23341
INVOICE
 To: Angus Trading (S) Pte Ltd
 250 North Bridge Road
 39th Floor, Raffles City Tower
 Singapore 0617

 Invoice No.: SK/1001/86
 Invoice Date: 1st October 1986

SHIPMENT OF 5803.125 CUBIC METRES OF PAPUA NEW GUINEAN ROUND LOGS, CNF JAPAN

<u>Item No.</u>	<u>Species</u>	<u>Volume (Cubic Metre)</u>	<u>Price Per Cubic Metre (USD)</u>	<u>Total (USD)</u>
1.	Rosewood	1416.881	117.00	165,775.08
2.	Taun	1254.731	80.00	100,378.48
3.	Group 2A	661.663	77.00	50,948.05
4.	Group 2B	1200.770	66.00	79,250.82
5.	Group 3	1269.080	62.00	78,682.96
Total USD CNF, Japan				475,035.39
Less: Advance Payment				100,000.00
Less: Ocean Freight				131,903.00
Balance				<u>243,132.39</u>

 (UNITED STATES DOLLARS TWO HUNDRED FORTY THREE THOUSAND
 ONE HUNDRED THIRTY TWO AND CENTS THIRTY NINE ONLY)

Diameter Assortment: 49cm below / 50-59cm / 60cm-up each 4%/36%/60%

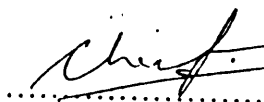
Vessel : MV Maria Pilar

Port of Loading : Millport Harbour, Papua New Guinea

Port of Discharge : Japanese Port

 Drawn under Bank of Credit and Commerce Hong Kong, Irrevocable Documentary
 Credit No.: L/C 023861892 HKE dated September 24, 1986.

For ANGUS (PNG) PTY LTD



 Managing Director

EX 68(61)

2

alms 68(73)2

 PAPUA NEW GUINEA • JAKARTA • SINGAPORE • MALAYSIA • THAILAND • HONG KONG
 KOREA • SAN FRANCISCO • NEW YORK • LONDON • NIGERIA



ANGUS

TRADING (S) PTE LTD
Angus Trading (S) Pte Ltd

To : Senko Co Ltd
Tokyo International
P O Box 5032
Tokyo
JAPAN

250, North Bridge Road,
250-00, Raffles City Tower,
Singapore 0817.
Tel: (65) 3371111
Telex: R8 88871 ANCH
Fax: 3387333

Invoice No : AG/T/016/86
Invoice Date : 1 October 1986

SHIPMENT OF 5803.125 CUBIC METRES OF PAPUA NEW GUINEAN ROUND LOGS, CA

ITEM NO	SPECIES	VOLUME (M ³)	PRICE PER CUBIC METRE (US\$)	TOTAL (US\$)
1.	Rosewood	1416.881	161.25	228,472.061
2.	Taun	1254.731	79.28	99,437.432
3.	Group 2A	661.663	76.25	50,451.804
4.	Group 2B	1200.770	68.25	81,952.552
5.	Group 3	1269.000	63.25	80,269.310
TOTAL US\$ CNF JAPAN				540,583.159
LESS: ADVANCE PAYMENT				300,000.00
LESS: DISCOUNT USD1/M ³				5,803.125
LESS: OCEAN FREIGHT				131,903.00
BALANCE				102,877.03

(UNITED STATES DOLLARS ONE HUNDRED AND TWO THOUSAND EIGHT HUNDRED AND SEVENTY-SEVEN AND CENTS THREE ONLY)

Diameter Assortment : 49 cm below/50-59 cm/60 cm-up each 41/361/605
Vessel : MV Maria Pilar
Port of Loading : Milport Harbour, Papua New Guinea
Port of Discharge : Japanese Port

Drawn under Bank of Tokyo Ltd, Irrevocable Documentary Credit No.012-LC-108125 dated 12 August 1986.

FOR ANGUS TRADING (S) PTE LTD

CHARLIE KOH
MANAGING DIRECTOR

CK/TT/vt

PAPUA NEW GUINEA • JAKARTA • SINGAPORE • MALAYSIA • THAILAND • HONG KONG
KOREA • SAN FRANCISCO • NEW YORK • LONDON • NIGERIA

Handwritten note:
Damos, original will be couriered to you but to save time, please BCC through the LC as Shiro after to accept all documents.

Handwritten: EX 68(35) 265

Handwritten: 2617

A701

DOLLARQUEST S/B

057 F01

TO : MR. F C CHEAH
FROM : MOHD ABDULLAH ANG

fax m

Will contact you tonight on matter. - Kindly Fax
Docs which you sent to D & P of Singapore.



↓
↑ MOICGF MA31680

(↓ NOVEMBER 11, 1986

TAN SRI GHAZALI SHAFIE/MOHD. ABDULLAH ANG KUALA LUMPUR

REF OUR DISCUSSION AND YOUR COMMITMENT TO REPAY USD150,000 BEFORE
20/11/86 PLS REMIT FUNDS TO OUR A/C. NO. 803 3152 869 WITH IRVING
TRUST CO., 1 WALL STREET, NEW YORK UNDER ADVICE TO US.

REGARDS,

S. J. DAROOWALA
BCC HK LTD.
CLOUCESTER ROAD BRANCH
HONG KONG

Dr JK

60535 BCCGB HX0
↑ MOICGF MA31680

EX68(72)

29

IN 5442
21. 1.87

~~WILL~~
~~Angus~~

Angus

226

IN 5442
21. 1.87

~~WILL~~
~~Angus~~

Angus

226

IN 5442
21. 1.87

~~WILL~~
~~Angus~~

Angus

226

IN 5442
21. 1.87

~~WILL~~
~~Angus~~

Angus

226

IN 5442
21. 1.87

~~WILL~~
~~Angus~~

Angus

226

IN 5442
21. 1.87

~~WILL~~
~~Angus~~

Angus

226

IN 5442
21. 1.87

~~WILL~~
~~Angus~~

Angus

226

- IN 5442
21. 1.87
- ~~WILL~~
~~Angus~~
- Angus
- 226

DOLLARQUEST SDN BHD

A364

XEROX TELECOPIER 285

2- 9-86 4:44 PM

8828287082 +

3387333 / # 5

-2-

RE 1 3RD CONTRACT. 2,500M³.

1. RYTX 1 SEP INDICATING YR INTEREST TO PURCHASE THE EXTRA 2,500M³ UNDER 2ND SHPMT, WE WUD BE HAPPY TO OFFER U THIS 2,500M³ AT FOL QTY & CNF PRICE:

A. ROSEWOOD	- 800M ³
B. TAUN	- 375M ³
C. GROUP 1 (LESS ROSEWOOD)	- 150M ³
D. GP 2 A	- 250M ³
E. GP 2 B	- 800M ³
F. GP 3	- 725M ³
G. TOTAL	- 2,500M ³

} NEED
PRICES.

2. TERMS.

- A. SIGHT LC IN FAVOUR OF _____
- B. QTY OF SPECIES & TOTAL - PLUS MINUS 10 PCT ACCEPTABLE.
- C. DIAMETER ASSORTMENT. 60 CM UP - MINIMUM 60 %. 48-59 CM - REMAINING.
- D. PARTIAL SHIPMENT ALLOWED.
- E. THE VALUE & VOLUME AS PER INVOICE SIGNED BY MR T. SANO OR MR. E. ABE WILL BE THE QTY & VALUE ACCEPTABLE FOR NEGOTIATION, IRREGARDLESS OF WHETHER VOL OR DIAMETER ASSORTMENT IN INVOICE OR INSPECTION CERTIFICATE MEETS TERMS ON VOL, VALUE & DIAMETER ASSORTMENT AS MENTIONED IN OTHER PARTS OF LC.

BEST RGDS

EX68(34)
68

SHIP2

CHARLIE KDH
GROUP MANAGING DIRECTOR

A3&5

SANKO CO. LTD.

NAGOYA OFFICE
P. O. BOX NO. 48 NAGOYA CENTRAL
1-4-CHOME, HORIUCHIHO
NAKAMURAKU, NAGOYA, JAPAN



ORDER NO., RC-95

NAGOYA, 5 SEPTEMBER 1986

Messrs. ANGUS TRADING (S) PTE LTD
250 NORTH BRIDGE ROAD,
#39-00, RAFFLES CITY TOWER,
SINGAPORE 0617.

We have pleasure in confirming the following PURCHASE with your
goodselves for the undermentioned merchandise according to the following terms
& conditions.

Description: P.N.G. FRESH CUT ROUND LOGS

Quantity: ABOUT 2,500M3
Subject to variation plus/minus % (percent).

Price & C&F JAPAN (3 PORTS DISCHARG)
Amount: ABOUT US\$219,350.00

Shipment: BY 15 OCTOBER 1986 FROM MILLPORT HARBOUR P.N.G.

Payment: By irrevocable and confirmed Letter of Credit available against
AT SIGHT Draft and documents,
to be established in favour of Seller.

Insurance: To be covered by Buyers/Sellers

Freight: To be payable by Buyers/Sellers

Destination: MAX 3 PORTS JAPAN

~~Shipping Method~~

REMARKS : 1) QUALITY: INSPECTION BY BUYERS REPRESENTATIVE BEFORE
LOADING IS FINAL, BUYERS INSPECTOR HOLDS RIGHTS TO
REJECT OLD AND OR DEFECTED LOGS BEFORE LOADING.
2) VOLUME: BY RESCALING LIST IN JAPAN (ISSUED BY THE
GOVERNMENT AUTHORIZED SCALER) IS FINAL, ANY DIFFERENCE
BETWEEN LOG LIST AND THE RESCALING LIST MUST BE
SETTLED BY T/T REMITTANCE AFTER RESULTS OBTAINED
IMMEDIATELY.

3) L/C OPEN TO: ASIOFUNDS LTD
16TH FLOOR, CHEKIANG FIRST BANK BUILDING,
60 GLOUCESTER ROAD, WANCHAI,
HONG KONG.

ACCEPTED: OTHER REMARKS AS PER ATTACHED SHEET.

SANKO CO., LTD.

EXPORTERS IMPORTERS & MANUFACTURERS

SANKO CO., LTD.

(Incorporated in Japan)

SINGAPORE BRANCH
1 COLOMBO COURT #05-03, SINGAPORE 0517.
TEL: 3372793, 3372794 & 3364288CABLE ADDRESS:
GRACESANKO SINGAPORE
TELEX NO.: RS 21614 GRASAN
FACSIMILE NO. 3370327RC-95 ATTACHED SHEET

<u>SPECIES</u>	<u>VOLUME</u>	<u>PRICE C&F JAPAN PER M3</u>
ROSEWOOD	ABOUT 500	US\$161.25
TAUN	375	79.25
GROUP 2A	275	76.25
GROUP 2B	530	68.25
GROUP 3	820	63.25

TOTAL :	ABOUT 2,500M3	US\$219,350.00
---------	---------------	----------------

DIAMETER ASSORTMENT : 60CM UP MINIMUM 65% AND 48-59CM MAXIMUM 35%

- REMARKS : 1) GROUP 2A MEANS CALPHYLLUM, AMMORA, TERMINALIA, AGLAIA, WAU BEECH, RED CEDAR, MANGROVE CEDAR, SILKWOOD, BURCKELLA, CAMPNOSPERMA, LABULA, BASSWOOD, MERSAWA, KAMERERE, CANARIUM SPP.
- 2) GROUP 2B MEANS MALAS, ERIMA, CELTIS, AMBEROT, DILLENIA, WATER GUM.
- 3) GROUP 3 MEANS ALL OTHER SPECIES NOT INCLUDED IN GROUP 1, 2A AND 2B.

EX68(35)

111

as in 393

A 406

**ANGUS**

230, North Bridge Road,
#39-00, Raffles City Tower
Singapore 0817
Tel: (65) 3371111
Telex: RS 95671 ANGUS
Fax: 3367883

FACSIMILE TRANSMISSIONOUR REF : 363/86DATE : 8 SEPT '86

YOUR FAX REF NO: _____

TO : SANKO S'PORE (ATN: MR E. ABE)
 CC : SANKO NAGOYA , ANGUS PNG, BCC HK
 CC : INTERNAL (CM, TS, MS, PJCT)
 FM : ANGUS SINGAPORE
 RE : SHIPMENTS & LCS

1. RE OUR TELECON TODAY, WE AGREE THAT OUR ~~CONTRACT~~ ON MARIA PILAR, WILL BE USED TO SHIP OUT OUR 2ND CONTRACT FOR 6,000M³.

2. FOR 1ST & 3RD CONTRACTS, WE WILL SHIP ON 2ND SHIPMT MID-OCTOBER. PLS SEE DETAILS OF LC TO ASIOPUNDS LIMITED FOR 1ST & 3RD CONTRACTS AS ATTACHED.

3. YOU WILL NOTE THAT THE UNIT PRICE FOR EACH SPECIE IS CALCULATED AT 120% OF UNIT CNF PRICE OF CONTRACT 1 PLUS 100% OF UNIT CNF PRICE OF CONTRACT 2 DIVIDED BY 2.2. EG. FOR ROSEWOOD, PRICE CNF IN LC IS

$$(1.2 \times \text{USD}165) + (\text{USD}161.25) : 2.2 = \text{USD}163.30$$

4. APPRECIATE IF U COULD OPEN THE ABOVE LC BEFORE 11 SEP '86.

BEST RGDS


CHARLIE KOH (GMD)

Received				
Date: 9/9/86		Time: hrs		
To	Info	Action	Ex-act	Initial
F.C.	<i>AK</i>			
J.K.	<i>AK</i>			
K.C.				<i>AK</i>
S.W.				<i>AK</i>
D.L.				<i>AK</i>

EX68(35)

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$$\frac{165 + 161.25}{2} = 163.12$$

THIS TRANSMISSION CONSISTS OF 2 PAGES. IF TRANSMISSION IS RECEIVED INCOMPLETE OR UNCLEAR, PLS ADVISE IMMEDIATELY.

BRISBANE • HONG KONG • JAKARTA • SINGAPORE • MALAYSIA • THAILAND • HONG KONG

PROFORMA LC FOR 1ST & 3RD CONTRACTS

A 407

1. BENEFICIARY : Asifunds Limited
16th Floor, Chekiang First Bank Building
60 Gloucester Road
Wanchai
Hong Kong
2. ADVISING BANK : Bank of Credit & Commerce International
Gloucester Road Branch
88 Gloucester Road
Wanchai
Hong Kong
3. MERCHANDISE : PNG Round Logs
4. VOLUME : 5,600M³ plus minus 10%
5. SPECIES, VOLUME, PRICE/M³ CNF JAPAN IN US DOLLAR.

SPECIES	VOLUME	PRICE/M ³ CNF JAPAN
A. Rosewood	1,100M ³	163.30
B. Taun	825M ³	80.75
C. Group 2A	605M ³	77.10
D. Group 2B	1,200M ³	69.20
E. Group 3	1,770M ³	64.20
F. TOTAL	5,600M ³	489.568

1st	2nd
165.00	161.85
82.00	79.25
77.00	76.25
70.00	65.25
65.00	60.25

6. DIAMETER ASSORTMENT

- A. 60 cm up - minimum 65%
- B. 48-59 cm - remainder

7. SHIPMENT

From PNG to any Japanese Port. (Max 3 Ports)

8. DATES

- A. Latest shipment - 30 October 1986
- B. LC expiry date - 30 November 1986

9. LC to be opened by 11 September 1986.

EX68(35)
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A 417

APPLICATION FOR IRREVOCABLE DOCUMENTARY LETTER OF CREDIT.

(For Importer use only)

1ST & 3RD
CONTRACTS

2nd shipment

To the Manager

Date 9 SEPT 1986

BANK OF CREDIT AND COMMERCE
HONG KONG LIMITED

G.P.O. BOX 4812 HONG KONG

Dear Sir,

Please open by ~~XXXXXX~~ / ~~XXXXXX~~ in the following terms Irrevocable Documentary Letter of Credit
with your branch or correspondent at ~~XXXXXX~~ Full Cable THE BANK OF SOUTH PACIFIC LTD, WAIGANI BEACH
(If possible state name of the bank through whom you wish the credit to be advised)

Terms

In favour of (Drawer) ANGUS (PNG) PTY LTD
(Address) SUITE 502, PACIFIC VIEW, P O BOX 2755, BOROKO, PAPUA NEW GUINEA.
to be drawn on (drawee) ASIOFUND LIMITED
of (Address) 16TH FLOOR, CHEKIANG FIRST BANK BUILDING, 60 CLOUCESTER ROAD, WANCHAI, HONG KONG.
for USD430,225.00 say (amount in words) UNITED STATES DOLLARS, FOUR HUNDRED AND THIRTY THOUSAND, TWO HUNDRED AND TWENTY FIVE ONLY.
(days) sight, interest for account of drawee/drawer, for 100 % Invoice value of the
accompanying by the documents required hereunder, purporting to represent shipment as herein specified.
documents are to be surrendered to us against payment of the drafts.

Documents Required

Signed invoice(s) in quadruplicate.

Full set of clean on Board Ocean Bills of Lading made out to order of shippers and endorsed in blank, and
marked: Freight prepaid/to collect and notify ~~XXXXXX~~, SANKO CO. LTD., TOKYO INTERNATIONAL, P O BOX
5032, TOKYO, JAPAN.

~~Insurance Policy/Certificate in duplicate endorsed in blank with claims payable in Hong Kong in the same currency as
the draft(s), for % of invoice value covering:~~

~~Institute War Clauses, Institute Strikes, Riots and Civil Commotion Clauses,~~

~~Institute Cargo Clauses A-LL RISK/SAFETY, S.A. (Delete whichever not applicable)~~

enclosing shipment of: ABOUT 5,500 CUBIC METRES OF PAPUA NEW GUINEAN FRESH CUT ROUND LOGS
C&F DETAILS AS FOLLOWS:

SPECIES	VOLUME(M ³)	PRICE PER M ³ C&F JAPAN
ROSEWOOD	1,100	117
TAUN	825	80
GROUP 2A	605	77
GROUP 2B	1,200	68
P 3	1,770	62
L	5,500	

USD430,225.00 C&F

n. PAPUA NEW GUINEA to ANY JAPANESE PORT (MAX 3) and must be made not later than 30 OCTOBER 1986

Drafts are to be drawn and negotiated not later than 15 NOVEMBER 1986

Partial Shipments are ALLOWED Transshipment is NOT ALLOWED

Other Terms and Conditions

AS PER TERMS IN MASTER LC NO.

EX68(34)
60

SHIP2

This documentary credit and the drawings(s) thereunder are subject
to the terms of the Agreement of Pledge given to you
It is otherwise stated herein, this credit is subject to the
Uniform Customs and Practices for Documentary Credits (1993 Revision)
International Chamber of Commerce, Publication No. 400

Please Pay Exchange
Do Not Pay

A/C No. _____ Tel No. _____

END BANK USE

A428



ANGUS

280, North Bridge Road,
#30-00, Raffles City Tower,
Singapore 0817.
Tel: (65) 3371111
Telex: RS 85671 ANGUSG
Fax: 3367333

FACSIMILE TRANSMISSION

OUR REF : 380/86
DATE : 10/9/86 YOUR FAX REF NO: _____
TO : SANKO NAGOYA (ATT: MESSRS SANO/SUZUKI)
CC : SANKO S'PORE (ATT: MESSRS ABE/SHIMADA)
CC : BCC HK (ATT: DAROO, RAHMAN, HASSAN) AG PNG, (INTERNAL: GMD)
FM : ANGUS S'PORE
RE : 1ST AND 3RD CONTRACTS

1. PRICING FOR 1ST AND 3RD CONTRACTS - PLS FIND ATTACHED AT ANNEX A, THE METHOD OF CALCULATING THE PRICES FOR 1ST AND 3RD CONTRACTS. HOPE THIS WILL CLARIFY ANY DOUBTS AND EXPEDITE FRESH L/C.
2. PROFORMA L/C FOR THE 1ST AND 3RD CONTRACT IS AT ANNEX A. NOTE THAT THE PRICES ARE SLIGHTLY DIFFERENT FROM TH SUBMITTED ON 8 SEPT AND THE TOTAL L/C SHOULD BE USD489,640.
3. YOUR ORDER RC-95 FOR 3RD CONTRACT RECEIVED TODAY WITH THANKS.

RGDS
TONY TEOM

RE YOUR TLX TODAY

VISIT. THANK YOU FOR YOUR ARRANGEMENT. PLS BOOK ONE DOUBLE ROOM FOR 2 NIGHTS UNDER NAMES OF F.C. CHEAH AND C. KOH AND TLX US NAME AND ADDRESS OF HOTEL.

2. VSL 2ND SHIPMT. MV SUN ISLAND. TKS FOR ACCEPTANCE. WE WILL CFM FIXTURE WITH OCEAN MARITIME IN TOKYO.
3. LC AMENDMENT. 2ND CONTRACT. LC 012-LC-108125. TKS FOR AMENDMENT.
4. NEW LC FOR 1ST AND 3RD CONTRACT. SUGGEST OPEN LC AS PER ATTACHED. THIS IS SIMPLER. YOUR COMMENT PLS.

B. RGDS
CHARLIE KOH

EX68(34)

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SMR RER

ANNEX A

UNIT PRICING FOR CONTRACTS 1 AND 3

NO. SPECIE	CONTRACT 1			CONTRACT 3			TOTAL CONTRACT (1 & 3)		
	VOL	UNIT PRICE (USD)	AMT (USD)	VOL	UNIT PRICE (USD)	AMT (USD)	TOTAL VOL	TOTAL AMT (USD)	UNIT PRICE (USD/MP)
1. ROSENWOOD	600M ³	165	99,000	500M ³	161.25	80,625.00	1,100M ³	179,625.00	163.29
2. TAIN	450M ³	82	36,900	375M ³	79.25	29,718.75	825M ³	66,618.75	80.75
3. GROUP 2A	330M ³	78	25,740	275M ³	76.25	20,968.75	605M ³	46,708.75	77.20
2B	670M ³	70	46,900	530M ³	68.25	36,172.50	1,200M ³	83,072.50	69.23
3	950M ³	65	61,750	820M ³	63.25	51,865.00	1,770M ³	113,615.00	64.19
	3,000M ³		270,290	2,500M ³		219,350.00	5,500M ³	489,640.00	

TONY TECH
10 SEPT 1986

EX68(34)

72

same REC 1

A429

A430

ANNEX B

PROFORMA LC FOR 1ST & 3RD CONTRACTS

1. BENEFICIARY : Asifunds Limited
18th Floor, Chekiang First Bank Building
60 Gloucester Road
Wanchai
Hong Kong
2. ADVISING BANK : Bank of Credit & Commerce International
Gloucester Road Branch
88 Gloucester Road
Wanchai
Hong Kong
3. MERCHANDISE : PNG Round Logs
4. VOLUME : 5,500M³ plus minus 10%
6. SPECIES, VOLUME, PRICE/M³ CNF JAPAN IN US DOLLAR

	<u>SPECIES</u>	<u>VOLUME</u>	<u>PRICE/M³ CNF JAPAN</u>
A.	Rosewood	1.100M ³	163.29
B.	Taun	825M ³	80.75
C.	Group 2A	605M ³	77.20
D.	Group 2B	1,200M ³	69.23
E.	Group 3	1,770M ³	64.19
F.	TOTAL	5,500M ³	489.640

6. DIAMETER ASSORTMENT

- A. 60 cm up - minimum 65%
- B. 48-59 cm - remainder

7. SHIPMENT

From PNG to any Japanese Port. (Max 3 Ports)

8. DATES

- A. Latest shipment - 30 October 1986
- B. LC expiry date - 30 November 1986

9. LC to be opened by 11 September 1986.

EX68(34)

72

same

TONY TEOH
10 SEPT 1986

A499



ANGUS

250, North Bridge Road,
#39-00, Raffles City Tower,
Singapore 0817.
Tel: (65) 3371111
Telex: RS 85671 ANGUSG
Fax: 3387333

FACSIMILE TRANSMISSIONOUR REF : 472/86DATE : 29 SEPT '86

YOUR FAX REF NO: _____

TO : AG PNG (ATN: FC CHEAH)CC : INTERNAL (T/S, CM, GMD, MS)

CC : _____

FM : AG HQRE : USD300,000 ADVANCE FOR SIX MONTHS CONTRACT

1. AS SOON AS THE INVOICE & LOG LIST FOR THE 1ST SHPMT ARE ACCEPTED BY SANKO, WE WILL ASK THEM FOR THE USD300,000 ADVANCE.

2. AS PER YR CONVERSATION WITH MR KONG, THE USD300,000 WILL BE TT TO AG PNG OF WHICH USD133,000 WILL BE TT TO BCC HK. WITH REF TO THE REMAINDER OF THE ADVANCE, YOU WILL REVERT TO AG HQ WITHIN 48 HRS, HOW MUCH WILL BE SENT TO S'PORE? PLS TLX TO CFM THIS.

RE : L/C FOR 2ND SHPMT

PLS FIND ATTACHED A COPY OF THE MASTER LC FOR THE 2ND SHPMT. PLS REFER ALSO TO LC APPLICATION BY ASIOFUNDS AS ATT'D.

RGDS

[Signature]
TONY TEOH

Received		2-5-2		
Date: 29/9/86		Time: hrs		
To	For			Initial
	Info.	Action	Comment	
F.C.	<input checked="" type="checkbox"/>			
J.K.				
K.C.				

EX68(35)
258.

See to check for 4c No. 2

APPLICATION FOR IRREVOCABLE DOCUMENTARY

LITTER OF CREDIT.

REF. 1ST & 2ND CONTRACTS

(For Importer use only)

DATE 9 SEPT 1986

AND COMMERCE

This application was submitted
to BCC KK on 9/9/86 at 1.00 pm

XXXXXX
XXXXXX

XXXXXX
Full Cable

In the following terms Irrevocable Documentary Letter of Credit

THE BANK OF SOUTH PACIFIC LTD. NAIYAN, BEACH

(If possible state name of the bank through which you wish the credit to be opened)

SUS (PNG) PTY LTD

2, PACIFIC VIEW, P O BOX 2786, HONOLULU, PAPUA NEW GUINEA

ASIOPUNDS LIMITED

CHONG CHEKIANG FIRST BANK BUILDING, 60 CLOUGHER ROAD, WANCHAI, HONG KONG

say (amount in words) UNITED STATES DOLLARS, FOUR HUNDRED AND TWENTY FIVE ONLY.

(days) eight, interest for account of drawee/drawer, for 100 % Invoice value of

to be surrendered to us against payment of the drafts.

quadruplicate.

on Board Ocean Bills of Lading made out to order of shipper and endorsed in blank, and
prepaid to collect and notify XXXXXX SANKO CO. LTD., TOKYO INTERNATIONAL, P O BOX
JAPAN.

in duplicate endorsed in blank with claims payable in Hong Kong in the same currency as

of invoice value covering

Incoterms: Ex-Works, F.O.B. and C.I.F. clauses

Incoterms: A.B. (Incoterms which are not applicable)

ABOUT 5,800 CUBIC METRES OF PAPUA NEW GUINEAN FRESH CUT ROUND LOGS
C&F DETAILS AS FOLLOWS :

SPECIES	VOLUME (M ³)	PRICE PER M ³ C&F JAPAN	
ROSEWOOD	1,100	117	128,700
TAUN	828	80	66,000
GROUP 2A	606	77	46,585
GROUP 2B	1,800	66	79,200
GROUP 3	1,770	62	109,740
TOTAL	5,800		430,225

to ANY JAPANESE PORT
and negotiated not later than
ALLOWED

AS PER TERMS WATER LC NO.

ASIOPUNDS LTD.

[Signature]
Ravendson

Application for opening of Documentary Letter of Credit
As a condition of opening of Documentary Letter of Credit
the following conditions must be complied with:

SCHEDULE 36

1818 BACIKUJUTAYONOLIT
700 02

date : 2. sept. 84 time : 17.18 input of a secondary analysis

100-60000-100000

178
form of documentary credit
irrevocable
documentary credit number
210896
1994

BANK OF CHINA
 COUNTER OF NEGOTIATING BANK
 BANKING CO LTD
 100 INTERNATIONAL B.O. BOX 888
 HONG KONG
 SPECIAL CUSTOMER
 HONGKONG LIMITED
 100 FLOOD CHEMISTS FIRE BANK
 BUILDING 60 BLODGETT ROAD
 HONGKONG

DATE	DESCRIPTION	AMOUNT
12	PROPERTY CODE	AMOUNT
	PROPERTY CODE	AMOUNT
	AMOUNT	

AMOUNT
Description with/by-name, address
ANY BANK
BY NEGOTIATION
Receipts of/drawn on
PAID AT SIGHT
FOR FULL INVOICE COST
PAID ON OUR NEW YORK AGENCY
of the shipment
AMOUNT

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 10-12-2011 BY 60322 UCBAW

EXHIBITED
SCHEDULE 25 / SUBJECT TO
SHIPMENT FROM JAPAN NEW BUSINESS PORTS TO JAPANESE PORTS

2. THE STATE OF TEXAS, County of EL PASO, do hereby certify that the foregoing is a true and correct copy of the original as the same appears in the records of the County of EL PASO, State of TEXAS.

-ISSUED COMMERCIAL INVOICE IN DUPLICATE
 -FALL SET (S/S) CLEAN ONBOARD CLEAN BILL DATED NOT LATER THAN
 OCTOBER 31, 1984 OR SET BLANK ENDORSED MARKET "PARIENT" SPECIAL
 NOTIFY APPLICANT
 -OR LIST IN DUPLICATE

0730/14-07-0000

FROM BANKING CHARGE INCLUDING
ADVISING COMMISSION PAYMENT
~~CONTINUED UNDER NEGOTIATION~~
COMMISSION REIMBURSEMENT COMMISSION
OUTSIDE JAPAN FOR ACCOUNT OF
BENEFICIARY

150 / Model for presentation
DRAFTS AND DOCUMENTS MUST BE
PRESENTED FOR NEGOTIATION WITHIN 30
DAYS AFTER DATE OF B/L

DATE AFTER DATE OF THE
1964 Information Instructions
WITHOUT

WITHOUT
Development bank-144 Ad
BCHUBSS
back of 4444, Ltd., the
New York, NY

100 INSTRUCTIONS TO PAY/RECEIVING BK
NORTHEASTERN BANK MUST ATTACH DRAFTS TO DRAFTER BANK AND ALL
DOCUMENTS TO BE IN TWO COMBOS. FIVE LOTS

14-00000 (of 1000000)
14-00000 (of 1000000)
14-00000 (of 1000000)

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED
DATE 11-14-2001 BY 60322 UCBAW

...the fact that the ...

ACQUA, AL BIELLO, RAD DEFE, MARA 1200, BURNWOOD,
BURNWELL, CARONOSPENS, LABEIA, BASSWOOD, PELGAM, KATAGAT,
BURNWOOD

CANARY - BPP
2) BPP - 75 YEARS OLD, BIRTH DATE, AMERICAN, WATER BORN
3) BPP - 75 YEARS OLD, BIRTH DATE, AMERICAN, WATER BORN
AND 85

AND 25

14-00000

This Credit is not to be used for
CREDIT AND COMMERCE BANK
under: Rail Road
dated 2

Sydney
For 2nd shift
2 cc file
chr.

Sanko 2

A 502

g/c

FIND
1...

FIND MSG 02-P101

TO: NATIONAL AUSTRALIAN BANK, MELBOURNE
(PLS AUTHENTICATE AND RELAY THE FOLLOWING MESSAGE TO THE BANK OF
SOUTH PACIFIC LTD., WAIGNI BEACH)

TEST

FM: BCC HK LTD., H.K.
TO: NATIONAL AUSTRALIAN BANK, MELBOURNE

DATE: SEPT. 30, 1986

PLEASE NOTIFY BENEFICIARY WE ISSUE IRREVOCABLE DOCUMENTARY
CREDIT NO: L/CD23861920HKE
SHIPMENT LATEST DATE: OCT. 30, 1986
EXPIRY DATE: NOV. 15, 1986 AT OUR COUNTER

APPLICANT: ASIOPUNDS LIMITED, 14TH FLOOR, CHEKIANG FIRST BANK
BLDG., 60 GLOUCESTER ROAD, MANCHAI, HONG KONG

BENEFICIARY: ANGUS (PNG) PTY LTD., SUITE 502, PACIFIC VIEW, P.O.
BOX 2755, BOROKO, PAPUA NEW GUINEA.

AMOUNT: USD430,225.00 (UNITED STATES DOLLARS FOUR HUNDRED THIRTY
THOUSAND TWO HUNDRED TWENTY FIVE ONLY)

THIS CREDIT IS AVAILABLE WITH ANY BANK BY NEGOTIATION OF
BENEFICIARY'S DRAFT AT SIGHT DRAWN ON APPLICANT.

PARTIAL SHIPMENTS ARE ALLOWED
TRANSHIPMENT IS NOT ALLOWED
SHIPMENT FROM PAPUA NEW GUINEA TO ANY JAPANESE PORT (MAX. 3 PORTS).

EVIDENCING THE FOLLOWING GOODS:
ABOUT 3,500 CUBIC METRES OF PAPUA NEW GUINEA FRESH CUT ROUND LOGS
C N F DETAILS AS FOLLOWS:

SPECIES	VOLUME(CU. M.)	PRICE PER CUBIC METER
ROSEWOOD	1,100	117
TAUN	825	80
GROUP 2A	605	77
GROUP 2B	1,200	66
GROUP 3	1,770	62
	3,500	

TOTAL: USD430,225.00
C N F JAPAN

DIAMETER ABORTMENT: 60 CM UP/48-59CM EACH 65/33PERCENT
REMARKS:

- GROUP 2A MEANS CALPHYLLUM, AMOORA, TERMINALIA, ABLAIA, MAU BEECH, RED CEDAR, MANGROVE CEDAR, SILKWOOD, BURCKELLA, CAMPHOSPERMA, LABULA, BASBWOOD, MERBAMA, KAMERERE, CANARIUM, SPP.
- GROUP 2B MEANS MALAB, ERIMA, CERTIS, AMBEROI, WATER GUM
- GROUP 3 MEANS ALL OTHER SPECIES NOT INCLUDED IN GROUP 1, 2A & 2B.

EX68(34)

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SHIP2

A503

SIGNED DOCUMENTS REQUIRED:

- 1) SIGNED INVOICE(S) IN QUADRUPPLICATE.
- 2) FULL SET CLEAN ON BOARD OCEAN BILLS OF LADING MADE OUT TO ORDER AND ENDORSED IN BLANK, MARKED FREIGHT PREPAID AND NOTIFY BANKO CO., LTD., TOKYO INTERNATIONAL P.O. BOX 5032, TOKYO, JAPAN.
- 3) LOG LIST IN DUPLICATE.
- 4) INSPECTION CERTIFICATE OR INVOICE SIGNED BY MR. T. SANO (PASSPORT NO. H63822442) OF BANKO CO. LTD. OR MR. E ABE (PASSPORT NO. ME9506780) OF BANKO CO. LTD. SINGAPORE BRANCH IS REQUIRED.

OTHER TERMS & CONDITIONS:-

- A) ALL BANKING CHARGES UNDER THIS CREDIT OUTSIDE HONG KONG ARE FOR ACCOUNT OF BENEFICIARY.
- B) NEGOTIATING BANK MUST FORWARD ALL DOCUMENTS TO OUR BANK, HONG KONG ISLAND CENTRE, 18 MARCOURT ROAD, ADMIRALTY CENTRE TOWER ONE, 24/F., HONG KONG IN ONE LOT BY COURIER SERVICE.
- C) ON DECK SHIPMENT IS ACCEPTABLE.
- D) THIRD PARTY AND CHARTER PARTY B/L ACCEPTABLE.
- E) ALL DOCUMENTS MUST BE PRESENTED FOR NEGOTIATION AND REACH OUR COUNTER WITHIN 14 DAYS AFTER SHIPMENT DATE, BUT IN ANY EVENT WITHIN THE VALIDITY OF THIS CREDIT.
- F) ALL DOCUMENTS OTHER THAN DRAFTS, INVOICES MUST NOT SHOW UNIT PRICE, VALUE OF GOODS NOR ANY REFERENCE TO THIS CREDIT.
- G) WE SHALL COVER THE NEGOTIATING BANK AS REQUESTED UPON RECEIPT OF RELATIVE DOCUMENTS.

THIS IRREVOCABLE DOCUMENTARY CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1983 REVISION, INTERNATIONAL CHAMBER OF COMMERCE, PUBLICATION NO. 400) AND ENGAGES US IN ACCORDANCE WITH THE TERMS THEREOF. THE NUMBER AND THE DATE OF THIS CREDIT AND OUR NAME MUST BE QUOTED ON ALL DRAFTS REQUIRED. EACH NEGOTIATION MUST BE NOTED ON THE REVERSE OF THIS ADVICE BY THE NEGOTIATING BANK.

LMJ

[Handwritten signature]

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SHIP2

TERMS AND CONDITIONS
OF BANK OF CHINA
SINGAPORE BRANCH

A675

SALES AND PURCHASE CONTRACT
DATED 6 NOVEMBER, 1986
(REFERENCE : AG/SANKO 02/86)

Contract
AG/SANKO/02/86

1. SELLER : FOREST INDUSTRIES COUNCIL
OF PAPUA NEW GUINEA
P.O. Box 1829, Port Moresby, PNG.
2. PRODUCER : ANGUS (PNG) PTY. LTD.
Ground Floor, Pacific View Apt.
P.O. Box 2755, Boroko, PNG.
3. BUYER : SANKO CO. LTD.
Ohtemachi Building 4th. Floor
6-1, 1-chome, Ohtemachi,
Chiyoda-ku, Tokyo 100, Japan.
4. MERCHANDISE : Papua New Guinea Round Logs
5. VOLUME : 5,500 M3 plus/minus 10 percent
6. SPECIES, DIAMETER, PRICE : Per Annex A, and for
Hollow Logs prices will
be reduced by 30 percent.
For FOB prices, freight
is computed at
USD 23 per M3.
7. DIAMETER : 60 cm up - 65 percent minimum
48 - 59 cm - balance (including 48cm
below for Rosewood)
8. SHIPMENT : From Papua New Guinea to Japan
(Max. 3 ports of discharge per shipment)
9. FREIGHT : All freight charges per shipment as
mentioned in this contract shall be
borne by Angus (PNG) Pty. Ltd.
10. SHIPMENT SCHEDULE : 5,500 M3 plus/minus 10 percent
around end November 1986.
11. PAYMENT TERMS : By Letter of Credit to be
established by Buyer to Seller
or another company nominated
by Seller.

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A677

ANNEX A

SPECIES, DIAMETER, PRICE AND PERCENTAGE FOR 2ND. SHIPMENT

SPECIES	DIAMETER SIZE (CM)	FOB US\$/M3	CMF US\$/M3	PERCENTAGE OF EACH SPECIE PER SHIPMENT
ROSEWOOD	60 CM + 48-59 CM LESS 48 CM (MAX. 10% OF TOTAL VOLUME OF ROSEWOOD)	137.00	160.00	20% - 25%
TAUN	60 CM + 48-59 CM	59.00	82.00	15% - 20%
GROUP 2A	60 CM + 48-59 CM	58.00	81.00	10% - 15%
GROUP 2B	60 CM + 48-59 CM	57.00	80.00	15% - 20%
GROUP 2C	60 CM + 48-59 CM	45.00	68.00	25% MAX.
GROUP 3	60 CM + 48-59 CM	41.00	64.00	20% MAX.

EX 68(37)

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* DIAMETER SIZE IN PROPORTION OF 65% 60 CM+ AND 35% 48-59 CM

** FOB calculated at freight charges of US\$23 per m3 for maximum 3 Japanese ports of discharge.

Q

**ANGUS**

250, North Bridge Road,
#38-00, Raffles City Tower,
Singapore 0617.
Tel: (65) 3371111
Telex: RS 65671 ANGUSG
Fax: 3387333

A373FACSIMILE TRANSMISSIONOUR REF : 324/86DATE : 3 SEPT '86

YOUR FAX REF NO: _____

TO : SANKO NAGOYACC : SANKO S'PORE, BCC HK, AG PNG (INTERNAL) CNFM : AG S'PORERE : OFFER OF PNG LOGS, 6,000M³ PER MONTH.

FURTHER TO OUR DISCUSSION WITH YR MR ABG IN S'PORE, WE WOULD BE INTERESTED TO FIRM A CONTRACT WITH SANKO FOR SALE OF 6,000 METRIC TONS PER MONTH OF PNG LOGS FOR 6 MONTHS EXCLUSIVE OF THE EXISTING 2 CONTRACTS BETWEEN US.

1. SPECIE, PRICE FOB & DIAMETER ASSORTMENT IS AS PER ANNEX A ATTACHED.
(THIS IS THE PRICE THAT SHIN ASAHIGAMA HAS ACCEPTED TO BUY FROM US).

2. PAYMENT TERMS. DETAILS OF WHICH TO BE DISCUSSED LATER.

IF THE ABOVE ARE ACCEPTABLE TO YOU, WE WOULD BE HAPPY TO DISCUSS THIS MATTER FURTHER. IN THE MEANTIME, WE ARE AWAITING YOUR RESPONSE.

OUR PRODUCTION SCHEDULE WITH EFFECT FROM NOV '86 IS 9,000 TO 12,000M³ PER MONTH. WE ARE ALSO INTERESTED TO DISCUSS WITH U AN AGREEMENT TO SELL THE EXTRA VOLUME LESS 6,000 MONTHLY SALE AS MENTIONED ABV BUT ON A MONTH TO MONTH BASIS DEPENDING ON OUR ACTUAL PRODUCTION. THIS MEANS THAT

(A) WE WILL BE SELLING EXCLUSIVELY TO U FOR THE NEXT 6 MTHS.

(B) THERE ARE 2 PRICE STRUCTURE

(1) FIXED PRICE FOR 6,000M³ PER MTH FOR 6 MTHS.

(11) ON A NEGOTIATED BASIS, MTH BY MTH BASED ON MARKET PRICE FOR VOLUME IN EXCESS OF THE ABV 6,000M³ PER MTH.

BEST RGDS


CHARLIE KOH (GMD)

EX68(34)

6 MONTHS CONTRACT

SCHEDULE 39

REF FAX No: 324/86

ANNEX A

H374

Average Price	%	Species	Size					
			100		50 - 59		40 - 49	
			Regular	Small	Super	Small		
			%	Price	%	Price	%	Price
202.00 173.9 59.43 45.2 91.80	25 30 5	Rosewood Taun Pencil Cedar	65 65 65	130.00 83.50 97.00	30 30 30	160.00 63.50 86.00	5 5 5	90.00 42.00 59.00
		<u>Group 2A</u>						
53.00	5	Mersawa						
		Labula				53.00		
		Calophyllum						
		<u>Group 2B</u>						
44.00	15	Basswood						
		Camposperma						
		Canarium						
		Dillenia				44.00		
40.00	20	Water Gum						
		Amberol						
		<u>Group 3</u>						
		Others				40.00		
Average Price US\$90.17/m3 FOB								

EX68(37)

6 MONTHS CONTRACT


ANGUS

	Info.	Action	Comment
F.C.	<i>OK</i>		
J.K.	<i>OK</i>		
K.C.			<i>OK</i>

238-00, Marlies City Tower,
Singapore 0817.
Tel: (65) 3371111
Telex: RS 55671 ANGUSG
Fax: 3367333

FACSIMILE TRANSMISSION

OUR REF : 330/86

TOTAL PAGES : 1

DATE : 4 SEPT 1986

YOUR FAX REF NO: —

TO : AG PNG

CC : INTERNAL (CM, MS), CN

FM : AG SG

RE : SUMMARY OF DISCUSSION BTWN C KOH / FC CHEAH ON 3/9/86 AS FOLS:

**SUMMARY OF DISCUSSION BETWEEN
CHARLIE KOH & F C CHEAH ON 3/9/86**

1. 1ST LC.

PNG to give approval to BCC to release this LC and subsequently, BCC to give approval to Sanko's bank to release Sanko's LC. Upon receipt of this clearance from BCC, Sanko will open fresh LC to Asio Funds. Subsequently, Asio Funds to back LC to PNG.

2. 2ND LC.

HK to back LC to PNG with terms to meet the MEP.

3. LONG TERM CONTRACT WITH SANKO.

Possibility of contract with Sanko for 6,000M³ per mth for 6 mths at fixed price with the remaining production also to Sanko but at negotiated price. Hopefully, to get contract firmed up by 10/9/86 to enable LC to be established by 15/9/86 for LC to be backed to PNG by 20/9/86 to assist PNG on securing financing from B.S.P.

4. MARKETING.

PNG to discuss with lawyers to firm up marketing contract between Ag PNG and HK marketing company based on the draft agreement handed over to FC Cheah. Sales price from PNG to marketing company will be MEP + 5%. This 5% is as marketing fee to the marketing company.

5. SHIP.

(A) Maria Pilar.

To monitor daily progress and inform PNG.

(B) Silver Shan (6,000M³).

Launch between 25/9 to 5/10. To confirm.

A403



ANGUS

280, North Bridge Road,
838-00, Raffles City Tower,
Singapore 0817.
Tel: (65) 3371111
Tele: (65) 8867111 ANGUS
Fax: 3367333

FACSIMILE TRANSMISSION

OUR REF : 362/86
DATE : 8 SEPT '86
TO : AG PNG (ATN: FC CHEAH)
CC : BCC HK (ATN: RAMAN, DAROO, HASSAN)
CC : CN, INTERNAL (CM, TS, MS, PJCT)
FM : AG SIN
RE : LC FM HX TO PNG & SANKO'S 6 MTHS CONTRACT.

YOUR FAX REF NO:

Received				
Date:		Time: ...		
To	For			Info
	Info	Action	Comment	
F.C.				
J.C.				
K.C.				

1.

RE YR FAX TODAY, ALL YR PTS NOTED. AGREE THAT USD133,650 SHORTFALL IN LC FROM HX TO PNG SHOULD, IF SANKO AGREES, BE COVERED FROM ADVANCE PAYMT (FOR THE 6 MTHS CONTRACT) FROM SANKO.

2. 1ST & 3RD LC.

A. SANKO HAS SUGGESTED THAT THESE TWO LCS BE COMBINED INTO ONE LC, TO BE NEGOTIATED ON 2ND SHPMT. REASON IS BECAUSE SANKO PREFERENCES TOTAL OF 2ND LC TO BE SHIPPED ON 1ST SHPMT (MARIA PILAR). OTHERWISE, 2 B/Ls FOR ONE SHPMT WHICH COULD CAUSE COMPLICATION. WHAT DO YOU THINK?

B. IF U AGREE ON ABV, WILL SEND OUT THE ATTACHED FAX TO SANKO, FOLLOWED BY LC APPLICATION TO BCC TO OPEN LC TO PNG FOR 1ST & 3RD CONTRACT AS ATTACHED.

3. FOR 6 MTHS CONTRACT.

A. SANKO S'PORE RECONFIRMED THEIR INTEREST ON ABV.

B. SANKO NEEDS UP TO END OF WK TO COUNTER OFFER OUR PRICES.

4. TIMING.

BELOW TIMING ESTIMATE FOR YOUR PLANNING & COMMENTS.

A. BY 11/8.9

(1) 2ND LC AMENDED BY SANKO. BUT NO ACTION BY US UNTIL WE FIRM UP 6 MTHS CONTRACT WITH SANKO & GET THEIR APPROVAL ON MINIMUM USD133,650 ADVANCE AGAINST 6 MTHS CONTRACT TO COVER SHORTFALL IN 2ND LC FM HX TO PNG.

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2

6 MONTHS CONTRACT

.../2-

THIS TRANSMISSION CONSISTS OF 7 PAGES. IF TRANSMISSION IS RECEIVED INCOMPLETE
OR INCOMPLETE, PLEASE ADVISE IMMEDIATELY

A464

SEP 22 1986 1952

ANGUS NE23341
MULTI ADDRESS CALL MOM

80071 AUGUZ HX
REF: REA/CK/113
DD : 22/9/86
TO : AG PNG
CC : AG HQ (CM. TS. MS. PJCT)
FM : AG HX

philly

RE: ~~LC 2ND SHPMT~~ (2ND CONTRACT)

1. LC READY FOR OPENING TODAY BY BCC FOR USD411,750. - LC NO L/C 023861877 HKE.
2. UNABLE TO CFM IMDTLY WHETHER THERE IS TEST KEY FACILITY BTWN BCC BSP. BCC STILL CHECKG. INITIAL FINDING NEGATIVE. CAN U CFM YR SIDE? IF NOT, THEN HV TO CHANNEL THRU INTERMEDIARY BANK.

RE: LC 2ND SHPMT (1ST N 3RD CONTRACT)

SANKO AFFIRMS LC TO BE OPENED 23 SEP. EXPECT TO BACK LC TO U BY THIS WEEK.

RE: REVOLVING LC. THRU SANKO HKE

1. BCC TOKYO VISITED MR USUI N MR TSUKUYAMA (FINANCE DIRECTOR OF SANKO TOKYO) ON ADV N ON ADVANCE.
2. ON ADV, INDICATION IS OK, SUBJECT TO DTLs. AWAITING SANKO HK TO RECEIVE INSTRN FM SANKO TOKYO (WHICH MR USUI TOLD BCC TOKYO HAS BEEN SENT), TO FOLLOW UP WITH SANKO HK N BCC ON EXECUTION, TO FINALISE PROFORMA REVOLVING LC FOR SANKO TO OPEN LC. TARGET DATE EARLY OCT.
3. ON ADVANCE, SANKO NON COMMITAL BUT BCC TOKYO ASSES THAT CHANCES ARE REASONABLE ONCE 1ST SHPMT EXECUTED.

B. RGDS
C. KOH
ANGUS NE23341

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A 487



ANGUS

250, North Bridge Road,
#39-00, Raffles City Tower,
Singapore 0617.
Tel: (65) 3371111
Telex: RS 55871 ANGUSG
Fax: 3387333

FAX TRANSMISSION

OUR REF: 455/86

DATE : 26 September 1986

TO : AG PNG
CC : AG HQ (CM, TS, PJCT MGR)
FM : AG HQ
RE : REVOLVING LC FM SANKO NGY

EX68(37)

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1. ENCLOSED AT ANNEX A, PLS FIND DRAFT OF PROFORMA LC FOR YR COMMENTS IF ANY BEFORE WE FAX TO SANKO NGY.
2. PT TO NOTE IS AMT PER M³ OF ROSEWOOD WHICH WILL BE DEDUCTED FM LC VALUE UPON NEGO BY SANKO HKG. PLS SEE ANNEX B FOR UNIT PRICE IN SANKO HKG'S LC TO PNG.
3. IF PNG SHIPS EACH SHPT AS PER LOG VOLUME IN PROFORMA LC (ANNEX A) PROFIT RETAINED IN HKG FOR EACH 6,000M³ SHPT IS USD98,688.75 BEFORE DEDUCTING BANK AND COMMISSION CHARGES IN HKG.
4. FOR PNG, EACH 6,000M³ SHPT AS PER PARA 3 WILL GIVE PNG TOTAL FOB OF USD377,430 WHICH AVERAGES OUT TO USD62.90/M³.
5. PLS CFM IF ABV AGREEABLE TO PNG.

RE FINANCING EXERCISE

1. IF SANKO AGREES ON USD300,000 ADVANCE PAYMT ON 6 MTHS CONTRACT, THEN PROBLEM ON SHORTFALL IN LC FOR 1ST SHPT (USD133,000) AND IMMEDIATE CASHFLOW PROBLEM FOR AG HQ WILL BE SOLVED. H/E, WHETHER SANKO WILL GIVE THIS ADVANCE OR NOT IS UNCERTAIN UNTIL AFTER 1ST SHPT COMPLETED.

THIS TRANSMISSION CONSISTS OF 6 PAGES. PLS ADVISE IMMEDIATELY IF TRANSMISSION IS INCOMPLETE OR UNCLEAR.

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2. AS A CONTINGENCY, JUST IN CASE THIS ADVANCE IS NOT AVAILABLE, IT MAY BE POSSIBLE TO SEEK FINANCING FM BCC IF BSP IS AGREEABLE TO PROVIDING PERFORMANCE BOND TO SANKO HKG FOR 10% OF MAXIMUM NEGOTIABLE VALUE OF REVOLVING LC (USD3,711,096) FM SANKO HKG TO PNG.

3. AS IN ANY GOVT CONTRACT, CONTRACTOR USUALLY HAS TO PROVIDE CLIENT A PERFORMANCE BOND. IF PNG CAN GET BSP'S AGREEMENT, WE WILL INCLUDE IN LC FM SANKO HKG TO PNG A CLAUSE THAT REVOLVING LC IS ONLY OPERATIVE UPON ISSUANCE OF P.BOND FM BENEFICIARY'S BANK (BSP) TO LC APPLICANT (SANKO HKG) FOR USD371,109 TO THE EFFECT THAT IF AG PNG DOES NOT PERFORM AT ALL, SANKO HKG WILL FORFEIT THIS 10%. H/E, IF AG PNG PERFORMS PARTIALLY, 10% OF VALUE OF UNPERFORMED SHPTS (BASED ON USD618,516 PER SHPT) WILL BE PAID BY BSP. ACTUAL WORDINGS WE WILL FAX TO YOU IF BSP IS AGREEABLE IN PRINCIPAL TO ISSUING THIS P.BOND.

4. WITH THIS P.BOND FROM BSP, BCC CAN ADVANCE US USD300,000.

5. MAY WE HV YR VIEWS ON ABV PLS?

RE FINANCIAL SUPPORT FM PNG TO SIN

1. AM MEETING WITH MAA & TS ON 27/9 AT 1200H TO DISCUSS OVERALL GROUP'S MATTERS. CUD U ADV ON ABV 2 MATTERS (LC FM HKG & P.BOND) AND THE POSSIBLE FINANCING FM PNG TO HQ IN OCT & NOV BEFORE OUR DISCUSSION?

2. IF UNABLE TO REPLY BY TODAY, CUD U PLS CALL EITHER ONE OF US AT TAN SRI'S RESIDENCE (TEL KL 4562462 OR 4562463 AT 1230H KL TIME ON 27/9) TO ADVISE US YR VIEWS ON THE ABV 3 MATTERS.

RE START UP EXPENSE VALOUSE LTD

WE WERE SUPPOSED TO TT USD8,000 TO ARTHUR YOUNG. SINCE WE ARE ONLY INCORPORATING ONE CO (VALOUSE) & NOT TWO COS, PERHAPS WE SHUD ONLY PAY USD4,000 ONLY.

RE LC AMDMT FOR 1ST SHPMT

BELIEVE PNG ALREADY RECD LC. BUT DUE TO DIFFERENCE IN SPECIE QTY, WE WUD REQUIRE LC AMDMT. PLS ADV SOON AS YR VOLS FOR EA SPECIE CFMED.

BEST RGDS - C. KOH



A489**ANNEX A****DRAFT**

Irrevocable revolving documentary credit number dated

Beneficiary : Sanko Co Ltd, HK Branch

Applicant : Sanko Co Ltd, Nagoya

Amount : USD736,942.50

Expiry Date

For Negotiation : 30 days after date of Bills of Lading

Expiry Date of

this Credit : 30 May 1987

*Shipments
Nov - May*

We issue this revolving credit available with Bank of Credit & Commerce
HK Ltd.

By negotiation of beneficiary drafts at sight for full invoice amount.

Drawn on our New York Office.

Being marked as having been drawn under this credit and accompanied by
the following documents :

Signed Commercial Invoice in Quintuplicate.

Full set clean on board ocean B/L made out to order blank endorsed
dated any date within credit validity marked "Freight Prepaid" notify
applicant

Log list in duplicate, countersigned by Mr T. Sano of Sanko Ltd, Nagoya
Branch or Mr E. Abe of Sanko Co Ltd, Singapore Branch.

Covering 6,000M³ + 20% of Papua New Guinean Round Logs C & F Japanese
port as at Appendix I.

Shipment from Papua New Guinea to any one, two or three of the following
ports (IMARI, NAGOYA, TOKYO), to be confirmed by LC amendment.

- Partial shipment allowed; transshipments prohibited.
- Drafts and documents must be presented for negotiation within 31 days
after B/L on board date, but within credit validity.
- Third party and charter party bills of lading and third party documents
except invoice are acceptable, B/L marked on deck cargo are acceptable.
- Invoice to be for full C & F value.

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T.T. reimbursement is acceptable, in this case drafts must be marked clearly "T.T. reimbursement effected". Negotiation bank must airmail drafts to drawee bank and all documents in two consecutive lots. Negotiation is restricted to BCC HK Ltd.

This is a revolving L/C for maximum US\$736,942.50 per shipment/negotiation. Amount negotiable for each shipment will be value of invoice based on quantity shipped as mentioned in log list and unit prices for each diameter of each specie as mentioned in Appendix I.

Amount of this credit will automatically stand reinstated after negotiation of each set of documents for each shipment. Total accumulative amount negotiable under this credit not to exceed USD4,421.655.00.

On negotiation of documents under each shipment in conformity with the terms of this credit, negotiating bank to credit to Valouse Ltd's account with BCC HK Ltd, for each cubic metre of each diameter of Rosewood invoiced, an amount per cubic metre as follows:

		AMOUNT TO BE CREDITED TO VALOUSE LTD FOR EACH CUBIC METER OF ROSEWOOD INVOICED
<u>SPECIES</u>	<u>DIAMETER</u>	
ROSEWOOD	A. 60 CM UP	USD78.50/M ³
	B. 60 CM UP (HOLLOW)	USD55.95/M ³
	C. 48-59 CM	USD54.50/M ³
	D. 48-59 CM (HOLLOW)	USD40.95/M ³
	E. 48 CM BELOW	USD27.00/M ³

This credit is subject to U.C.P. 1983 revision I.C.C. publication 400, please notify beneficiary to get credit for balance amount only.

SPECIAL TERMS AND CONDITIONS

Notwithstanding the quantity and diameter and specie breakdown of logs as at Appendix I, all quantities of each diameter of each specie of logs as contained in the submitted log list countersigned by Mr T. Sano of Sanko Co Ltd, Nagoya, Japan or Mr E. Abe, Sanko Co Ltd, Singapore, and the corresponding invoice are acceptable. Countersignature and log list received through fax is acceptable.

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APPENDIX I

SPECIE	DIAMETER	CNF PRICE (USD/M ³)	VOLUME (M ³)	VALUE (USD)
ROSEWOOD	60 CM UP	221.50	825.00	182,737.50
	60 CM UP (H)	161.95	150.00	24,292.50
	48-59 CM	161.50	375.00	60,562.50
	48-59 CM (H)	119.95	75.00	8,996.25
	BELOW 48 CM	89.00	75.00	6,675.00
			<u>1,500.00</u>	<u>283,263.75</u>
PENCIL CEDAR/ WHITE PLANCHONELLA	60 CM UP	100.00	195.00	19,500.00
	48-59 CM	75.00	105.00	7,875.00
			<u>300.00</u>	<u>27,375.00</u>
TAUN	60 CM UP	83.00	780.00	64,740.00
	48-59 CM	70.00	420.00	29,400.00
			<u>1,200.00</u>	<u>94,140.00</u>
GROUP 2A	60 CM UP	80.00	780.00	62,400.00
	48-59 CM	67.00	420.00	28,140.00
			<u>1,200.00</u>	<u>90,540.00</u>
GROUP 2B	60 CM UP	70.00	780.00	54,600.00
	48-59 CM	64.00	420.00	26,880.00
			<u>1,200.00</u>	<u>81,480.00</u>
GROUP 3	60 CM UP	65.00	390.00	25,350.00
	48-59 CM	57.00	210.00	11,970.00
			<u>600.00</u>	<u>37,320.00</u>
T O T A L			<u>6,000.00</u> *****	<u>614,118.75</u> *****

NOTE:

GROUP 2A INCLUDES CALPHYLLUM, AMMORA, TERMINALIA, AGLAIA, WAU BEECH,
RED CEDAR, MANGROVE CEDAR, SILKWOOD BURCKELLA, CAMPNOSPERMA,
LABULA, BASSWOOD, MERSAWA, KAMERERE, CANARIUM SPP

GROUP 2B MEANS MALAS, ERIMA, CELTIS, AMBEROI, DILLENIA, AND WATER GUM SPP

GROUP 3 INCLUDES ALL OTHER SPECIES NOT MENTIONED ABOVE

(H) = HOLLOW LOGS

A492

UNIT PRICING CNF OF EACH SPECIES IN LC FM SINGAPORE TO PNG
BASED ON USD23/M³ FOR FRT

SER	SPECIE	DIAMETER	U/PRICE IN CNF JPN IN USD	DIFFERENCE IN M ³ BETWEEN LC TO HKG & LC TO PNG IN USD
1	RM	A. 60 CM UP	143	78.50
		B. 60 CM UP (H)	106	55.95
		C. 48-59 CM	107	54.50
		D. 48-59 CM (H)	79	40.95
		E. BELOW 48 CM	62	27.00
2	PC/VP	A. 60 CM UP	100	
		B. 48-59 CM	75	
3	TAUN	A. 60 CM UP	83	
		B. 48-59 CM	70	
4	GP 2A	A. 60 CM UP	80	
		B. 48-59 CM	67	
5	GP 2B	A. 60 CM UP	70	
		B. 48-59 CM	64	
6	GP 3	A. 60 CM UP	65	
		B. 48-59 CM	57	



SANKO CO. LTD. TOKYO INTERNATIONAL P.O. BOX 5032

SCHEDULE 44.

CABLE ADDRESS:
"GRACESANKO TOKYO"
TELEX NO. 2223839 GRASAN J

Tokyo, September 17, 1986.

SALES AND PURCHASE CONTRACT
(REFERENCE : SANKO/AG 04/86)

1. SELLER: ANGUS (PNG) PTY LTD.
Suite 502, Pacific View P.O. Box 2755, Boroko,
Papua New Guinea.
2. BUYER : SANKO CO., LTD.
Ohtemachi Building 4th Floor, 6-1, 1-chome, Ohtemachi,
Chiyoda-ku, Tokyo 100, Japan.
3. MERCHANDISE: PAPUA NEW GUINEA ROUND LOGS
4. VOLUME: 36,000 M3 plus/minus 10 percent.
5. SPECIES, DIAMETER AND PRICE as per Annex A, for Hollow Logs,
price will be reduced by 30 percent.
6. SHIPMENT: from Papua New Guinea to Japan (Max. 3 ports per
shipment)
7. SHIPMENT SCHEDULE: 6,000 M3 plus/minus 20 percent per shipment
per month (from November, 1986 to April, 1987.)
8. DIAMETER ASSORTMENT: A. 60 cm up - 65 percent minimum
B. 48-59 cm - balance (including 48 cm below
for Rosewood)
9. PAYMENT TERMS: By Revolving Letter of Credit to be established by
Buyer to Seller or another company nominated by
Seller.
10. OTHER TERMS: During period of contract, Seller must give Buyer
1st option of purchase for any excess logs production
in excess of volume mentioned in this contract.

ANGUS (PNG) PTY. LTD.

SANKO CO., LTD.


F. C. Cheah


K. Usui

TOKYO OFFICE: 6-1, 1-chome, Ohtemachi, Chiyoda-ku, Tokyo 100, Japan

NAGOYA BRANCH: P. O. Box Central 48, Nagoya

OSAKA BRANCH: P. O. Box Higashi 62, Osaka

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A 713


KO CO. LTD. Tokyo, Japan

Annex A to
SALES AND PURCHASE CONTRACT
(REFERENCE: SANKO/AG 04/86)
OF 17, September, 1986.

SPECIES, DIAMETER, PRICE AND PERCENTAGE

SPECIES.	DIAMETER	CONTRACT PRICE CAF JAPAN PORTS IN U.S.DOLLARS	PERCENTAGE OF EACH SPECIE IN EACH SHIPMENT
ROSEWOOD	A. 60 cm up B. 48 - 59 cm C. below 48 cm (Max. 10 percent of total volume of ROSEWOOD)	221.50 161.50 89.00	20 to 25 percent
PENCIL CEDAR/ WHITE PLANCHONELLA	A. 60 cm up B. 48 - 59 cm	100.00 75.00	no min. or max.
TAUN	A. 60 cm up B. 48 - 59 cm	83.00 70.00	20 percent min.
GROUP 2A	A. 60 cm up B. 48 - 59 cm	80.00 67.00	balance
GROUP 2B	A. 60 cm up B. 48 - 59 cm	70.00 64.00	25 percent max.
GROUP 3	A. 60 cm up B. 48 - 59 cm	65.00 57.00	10 percent max.

SANKO CO., LTD.


MANAGER

EX68(37)

4



EX. 103

A771

REF : CK/vt/GMD0087/86
 DATE : 14 OCTOBER 1986
 TO : ANDREW, T/S, MAA, FC, JK
 FM : GMD
 RE : VALOUSE LIMITED

NEED FOR SHELL COMPANY

1. There is difference in value between price of PNG logs sold to SANKO and MEP. For each shipment of 6,000M³ of logs exported by AG PNG (provided minimum 20% of exports is Rosewood), there is difference of approximately USD98,000. See

A. Annex A for amount to be credited to VALOUSE LTD for each M³ of Rosewood shipment.

B. Appendix I of Annex A for volume of Rosewood per each 6,000M³ shipment.

2. This pricing is contracted for 6 monthly shipments of 6,000M³/mth from Nov to Apr '87. However, for purpose of long term projection, it is also assumed that this average price of USD79.35/M³ FOB will be maintained.

3. On basis of this selling price and on basis of average MEP of 63.00/M³, profits retained in HKG is USD16/M³. If we ship out 6,000M³/mth, profits retained in HKG is USD98,000/mth. However, with production expected to increase to 15,000M³/mth wef Jan '88, retained profits in HKG could increase to USD240,000/mth.

4. To enable these profits to be retained in HKG with minimal tax problems, it is proposed that we set up a Jersey (USA) Company with an account in Hong Kong.

SHAREHOLDING

5. Shares in this company, "VALOUSE LIMITED" Ordinance House, 31 Pier Road, St. Helier, Jersey, Channel Islands, will be held by nominee directors on behalf of your representatives.

A. ANDREW - 980 SHARES ?? (TEN DIRS)
 B. T/S - 510 SHARES
 C. MAA - 510 SHARES

35%
 - 25.5%
 25.5%

A77Z

MANAGEMENT & PROFIT SHARING

6. Running of this company will be done by 2 nominee directors from Arthur Young, acting on a standing instruction from the beneficiary shareholders that all funds received by VALOUSE LTD will be paid out to 5 separate accounts as follows:

- A. ANDREW's Account - 35%
- B. T/S's Account - 25.5%
- C. MAA's Account - 25.5%
- D. FC's Account - 9%
- E. JK's Account - 5%

7. For payment under paragraph 6, it is suggested that each shareholder establish separate nominee companies on personal accounts to receive your funds on your behalf.

RE: PROJECTED PROFITS FOR ANGUS PNG

1. The production plan for Angus PNG is that wef December, production will be increased from 6,000m³/mth to 9,000m³/mth, with a further increase of 6,000m³/mth wef January through sub-contractors. Please see cash flow prepared by AG PNG at Annex B.

2. Based on this figure, profits for Angus PNG is projected to be US\$19.399M for the duration of the permit. See Annex C.

3. The above profit is based on profit of US\$39/m³ wef Jan '87, with US\$16/m³ of this US\$39/m³ retained in HKG and balance US\$23/m³ retained in PNG. Of this US\$23/m³ retained in PNG, actual profit to AG PNG is US\$17.25/m³ (75% equity in JV Co), before tax.

4. For projected timing and value of profit disbursements to shareholders after tax; please see Annex D.

DRAFTH. OK, VL, GMD/0087/00
DATED 14 OCT 86

Irrevocable revolving documentary credit number

dated

Beneficiary : Sanko Co Ltd, HK Branch

Applicant : Sanko Co Ltd, Nagoya

Amount : USD736,942.50

Expiry Date

For Negotiation : 30 days after date of Bills of Lading

Expiry Date of

this Credit : 30 May 1987

We issue this revolving credit available with Bank of Credit & Commerce
HK Ltd.

By negotiation of beneficiary drafts at sight for full invoice amount.

Drawn on our New York Office.

Being marked as having been drawn under this credit and accompanied by
the following documents :

Signed Commercial Invoice in Quintuplicate.

Full set clean on board ocean B/L made out to order blank endorsed
dated any date within credit validity marked "Freight Prepaid" notify
applicantLog list in duplicate, countersigned by Mr T. Sano of Sanko Ltd, Nagoya
Branch or Mr E. Abe of Sanko Co Ltd, Singapore Branch.Covering 6,000M³ + 20% of Papua New Guinean Round Logs C & F Japanese
port as at Appendix I.Shipment from Papua New Guinea to any one, two or three of the following
ports (IMRI, NAGOYA, TOKYO), to be confirmed by LC amendment.

- Partial shipment allowed; transshipments prohibited.
- Drafts and documents must be presented for negotiation within 31 days
after B/L on board date, but within credit validity.
- Third party and charter party bills of lading and third party documents
except invoice are acceptable. B/L marked on dock cargo are acceptable.
- Invoice to be for full C & F value.

A774

T.T. reimbursement is acceptable, in this case drafts must be marked clearly "T.T. reimbursement effected". Negotiation bank must airmail drafts to drawee bank and all documents in two consecutive lots. Negotiation is restricted to BCC HK Ltd.

This is a revolving L/C for maximum US\$736,942.50 per shipment/negotiation. Amount negotiable for each shipment will be value of invoice based on quantity shipped as mentioned in log list and unit prices for each diameter of each specie as mentioned in Appendix I.

Amount of this credit will automatically stand reinstated after negotiation of each set of documents for each shipment. Total accumulative amount negotiable under this credit not to exceed USD4,421,655.00.

On negotiation of documents under each shipment in conformity with the terms of this credit, negotiating bank to credit to Valouse Ltd's account with BCC HK Ltd, for each cubic metre of each diameter of Rosewood invoiced, an amount per cubic metre as follows:

		AMOUNT TO BE CREDITED TO VALOUSE LTD FOR EACH CUBIC METER OF ROSEWOOD INVOICED
<u>SPECIES</u>	<u>DIAMETER</u>	
ROSEWOOD	A. 60 CM UP	USD78.50/M ³
	B. 60 CM UP (HOLLOW)	USD55.95/M ³
	C. 48-59 CM	USD54.50/M ³
	D. 48-59 CM (HOLLOW)	USD40.95/M ³
	E. 48 CM BELOW	USD27.00/M ³

This credit is subject to U.C.P. 1983 revision I.C.C. publication 400, please notify beneficiary to get credit for balance amount only.

SPECIAL TERMS AND CONDITIONS

Notwithstanding the quantity and diameter and specie breakdown of logs as at Appendix I, all quantities of each diameter of each specie of logs as contained in the submitted log list countersigned by Mr T. Sano of Sanko Co Ltd, Nagoya, Japan or Mr E. Abe, Sanko Co Ltd, Singapore, and the corresponding invoice are acceptable. Countersignature and log list received through fax is acceptable.

A 775

APPENDIX I

TO ANNEX A

REF CK/0091/86

DATED 15 OCT 86

SPECIE	DIAMETER	CNF PRICE (USD/M ³)	VOLUME (M ³)	VALUE (USD)
ROSEWOOD	60 CM UP	221.50	825.00	182,737.50
	60 CM UP (H)	161.95	150.00	24,292.50
	48-59 CM	161.50	375.00	60,562.50
	48-59 CM (H)	119.95	75.00	8,996.25
	BELOW 48 CM	89.00	75.00	6,675.00
			1,500.00	283,263.75
PENCIL CEDAR/ WHITE PLANCHONELLA	60 CM UP	100.00	195.00	19,500.00
	48-59 CM	75.00	105.00	7,875.00
			300.00	27,375.00
TAUN	60 CM UP	83.00	780.00	64,740.00
	48-59 CM	70.00	420.00	29,400.00
			1,200.00	94,140.00
GROUP 2A	60 CM UP	80.00	780.00	62,400.00
	48-59 CM	67.00	420.00	28,140.00
			1,200.00	90,540.00
GROUP 2B	60 CM UP	70.00	780.00	54,600.00
	48-59 CM	64.00	420.00	26,880.00
			1,200.00	81,480.00
GROUP 3	60 CM UP	65.00	390.00	25,350.00
	48-59 CM	57.00	210.00	11,970.00
			600.00	37,320.00
TOTAL			6,000.00	614,118.75

NOTE:

GROUP 2A INCLUDES CALPHYLLUM, AMMORA, TERMINALIA, AGLAIA, WAU BEECH,
RED CEDAR, MANGROVE CEDAR, SILKWOOD BURCKELLA, CAMPROSPERMA,
LABULA, BASSWOOD, MERSAWA, KAMERERE, CANARIUM SPP

GROUP 2B MEANS MALAS, ERIMA, CELTIS, AMBEROI, DILLENIA, AND WATER GUM SPP

GROUP 3 INCLUDES ALL OTHER SPECIES NOT MENTIONED ABOVE

(H) - HOLLOW LOGS

TO ANNEX A
REF CK/G091/86.
DATED 15 OCT 86

SCHEDULE 45

A776

UNIT PRICING CNF OF EACH DIAMETER OF EACH SPECIES IN LC FM SANKO HKG TO PNG
BASED ON USD23/M³ FOR FRT

SER	SPECIE	DIAMETER	U/PRICE IN CNF JPN IN USD	DIFFERENCE IN M ³ BETWEEN LC TO HKG & LC TO PNG IN USD
1	RW	A. 60 CM UP	143	78.50
		B. 60 CM UP (H)	106	55.95
		C. 48-59 CM	107	54.50
		D. 48-59 CM (H)	79	40.95
		E. BELOW 48 CM	62	27.00
2	FC/FP	A. 60 CM UP	100	
		B. 48-59 CM	75	
3	TAUN	A. 60 CM UP	83	
		B. 48-59 CM	70	
4	GP 2A	A. 60 CM UP	80	
		B. 48-59 CM	67	
5	GP 2B	A. 60 CM UP	70	
		B. 48-59 CM	64	
6	GP 3	A. 60 CM UP	65	
		B. 48-59 CM	57	

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ON JUL 30 1960 AT 10 41 AM BY SA JAMES J. GUNDEL IN THE SUPERVISOR'S OFFICE

REPORT THE INFORMATION IN THE FOLLOWING TABLES TO THE BUREAU OF THE CENSUS, WASHINGTON, D. C.

1. ABOVE SUBJECT IS ONE OF THE FEW OF THE

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2. Loss of client records to I & M.

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THE UNIVERSITY OF CHICAGO

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31 Pier Road, St. Helier,
Jersey Company, Jersey
INCLOSURE LIMITED - INCLOSURE LIMITED

ANNEX C

CK/vt/GMD0057/86 DATED 14 OCT 86

POTENTIAL EARNINGS FOR ANGUS PNG'S SHAREHOLDERS

BASED ON 120,000M³ SALE/YEAR OF LOGSAT USD79.35/M³ FOB SELLING PRICE ANDUSD43/M³ COST OF SALE

(ABOVE VOLUME INCLUDES SALES OF LOGS TO TIMBER FACTORY WEF FEB'86)

(BEFORE TAX)

SER	ITEM	1986	1987	1988	1989	1990	1991	TOTAL ^a
1.	Vol of Log Sale	21,000M ³	180,000M ³	120,000M ³	120,000M ³	120,000M ³	39,000M ³	600,000M ³
2.	Turnover (in USD) based on USD79.35/M ³ FOB	1.186M	14.283	9.522M	9.522M	9.522M	3.094M	47.129M
3.	Net Profit in PNG\$ (in USD) (USD16/M ³)	0.142M	2.890M	1.920M	1.920M	1.920M	0.624M	9.408M
4.	Profits in PNG\$ A. J/V B. AG PNG's portion of 75% of J/V	- - -	4.140M 3.105M	2.760M 2.070M	2.760M 2.070M	2.760M 2.070M	0.897M 0.672M	13.317M 9.987M
5.	TOTAL PROFITS FOR AG PNG SHAREHOLDERS (IN USD)	0.144M	5.985M	3.99M	3.99M	3.99M	1.296M	19.399M

CK/vt

14/10/86

A 180

PROJECTED TIMING & VALUE OF
PROFIT DISBURSEMENTS TO SHAREHOLDERS
(IN USD'000)

ANNEX D

TC CR/VN/GM2003/785 DATED 14 OCT 99

SER	ITEM	1986			1987			1988	1989	1990	1991	TOTAL
		NOV	DEC	JAN	FEB	MAR	(REMAINING MTHS)					
1.	Projected Log Export	6,000M ³	9,000M ³	15,000M ³	15,000M ³	15,000M ³	185,000M ³	120,000M ³	120,000M ³	120,000M ³	39,000M ³	650,000M ³
2.	Projected profits that may be disbursed in HKG. (TED Dike)											
	A. ANDREW		50.4	84.0	84.0	84.0	756	672	672	672	218.4	3,292.8
	B. T/S		36.7	61.2	61.2	61.2	550	489.6	489.6	489.6	159.1	2,398.2
	C. HAA		36.7	61.2	61.2	61.2	550	489.6	489.6	489.6	159.1	2,398.2
	D. FC		13.0	21.6	21.6	21.6	194	172.8	172.8	172.8	56.2	846.4
	E. JK		7.2	12.0	12.0	12.0	108	96.0	96.0	96.0	31.2	470.4
	F. TOTAL		144	240	240	240	2,160	1,920.0	1,920.0	1,920.0	624	9,408.0
3.	Projected profits that may be disbursed in PNG (ref enc '87 after tax 50%).											
	A. ANDREW						570.5	362.2	362.2	362.2	117.6	1,774.7
	B. AG IN						831.3	527.8	527.8	527.8	171.4	2,586.1
	C. FC						146.7	93.2	93.2	93.2	30.2	456.5
	D. JK						81.5	51.8	51.8	51.8	16.8	253.7
	E. TOTAL						1,630.0	1,035.0	1,035.0	1,035.0	336.0	5,071.0
4.	TOTAL		144	240	240	240	3,790.0	2,955.0	2,955.0	2,955.0	960.0	14,479.0

A17

A493

TO: SANKO CO LTD. NAGOYA BRANCH
(ATTN: MR SANO)
CC: BCC (ATN: RAMAN/DAROO/HASAN)
FM: ANGUS HKG
RE: CONTRACT NO. 4 (6 MTHS CONTRACT)

1. We propose revolving LC be opened by Sanko Co Ltd to Sanko Co Ltd Hong Kong Branch with LC clause that difference in value between master LC and Baby LC (Fm Sanko HKG) to Angus PNG, will be automatically credited into a bank account in HKG to be nominated by us, upon negotiation of master LC by Sanko HKG.
2. If the above is agreeable to Sanko Co Ltd, we will liaise with Sanko HKG on unit price and value of LC to be opened by Sanko HKG to AG PNG.
3. All bank charges incurred by AG HK in above transactions will be paid by Angus.
4. Pls advise if above agreeable to you.



B. Rgds - C.Koh GMD

EX68(37)

3



AS10

PRIORITIES FOR GROUP FOR WEEK ENDING 4 OCT '86

SCHEDULE 47

SER	COMPANY/DEPT	OUTSTANDING MATTER	ACTION REQUIRED	BY WHOM	BY WHEN
1.	PNG	A. 1ST SHPMT.	A. Upon receipt of B/L, to fax invoice, log list & copy B/L to Sanko NGY, Sanko SIN & AG HQ. B. Upon receipt of abv, AG HQ will : 1. Seek inspection cert fm Sanko SIN. 2. Seek for LC amndmt fm Sanko NGY. 3. Seek for USD300,000 advance fm Sanko NGY (USD150,000 to PNG & USD150,000 to BCC). 4. LC amndmt to PNG.	PNG	2/10
		B. 2ND SHPMT	A. To open LC to PNG. B. To cfm laycan for 2nd shpmt (5,500M ³). C. To fix ship based on abv laycan.	T.TEOM T.TEOH GMD T.TEOH T.TEOH PNG CN	3/10 4/10 4/10 7/10 3/10 3/10 4/10
		C. 6 MTHS CONTRACT	A. To finalise revolving LC format & LC procedure with Sanko & BCC. B. To chase for revolving LC to be opened by Sanko. C. Thereafter, to open LC to PNG.	T.TEOH T.TEOH T.TEOH	3/10 10/10 14/10
	MS	A. AUDIT	A. MOIC - Mar 31st B. CN - Mar 31st C. AT - Aug 31st D. AI - Aug 31st To complete audit before departure to PNG. To prepare for trip to PNG by compiling all documentation to set up system in PNG.	MS MS MS MS MS	2/10 2/10
		B. PNG TRIP.		MS	2/10

EX68(72)

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A678

Contract

AG/Sanko/03/86

**SALES AND PURCHASE CONTRACT
DATED 6 NOVEMBER, 1986
(REFERENCE : AG/SANKO 03/86)**

1. SELLER : FOREST INDUSTRIES COUNCIL
OF PAPUA NEW GUINEA
P.O. Box 1829, Port Moresby, PNG.
2. PRODUCER : ANGUS (PNG) PTY. LTD.
Ground Floor, Pacific View Apt.
P.O. Box 2755, Boroko, PNG.
3. BUYER : SANKO CO. LTD.
Ohtemachi Building 4th. Floor
6-1, 1-chome, Ohtemachi,
Chiyoda-ku, Tokyo 100, Japan.
4. MERCHANDISE : Papua New Guinea Round Logs
5. VOLUME : 36,000 M3 plus/minus 10 percent
6. SPECIES, DIAMETER, PRICE : Per Annex A, and for
Hollow Logs prices will
be reduced by 30 percent.
For FOB prices, freight
is computed at
USD 23 per M3.
7. DIAMETER : 60 cm up - 65 percent minimum
48 - 59 cm - balance (including 48cm
below for Rosewood)
8. SHIPMENT : From Papua New Guinea to Japan
(Max. 3 ports of discharge per shipment)
9. SHIPMENT SCHEDULE : 6,000 M3 plus/minus 20 percent
per shipment per month
(eff. December '86 - May '87)
10. FREIGHT : All freight charges per shipment as
mentioned in this contract shall be
borne by Angus (PNG) Pty. Ltd.
11. PAYMENT TERMS : By Letter of Credit to be
established by Buyer to Seller
or another company nominated
by Seller.

EX68(37)

6



[Handwritten signature or initials]

A679

12. OTHER TERMS :

A. OPTION TO PURCHASE

During period of contract, Seller must give Buyer the first option to purchase any logs produced by the Producer in excess of volume mentioned in this contract at current market prices.

In the event Buyer refuses this option, Seller can market the logs to others except the Japanese market.

B. SHORTFALLS IN PERCENTAGES OF ROSEWOOD EXPORTED

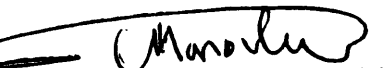
Any shortfall in minimum percentage of Rosewood as mentioned in this contract will be recovered in subsequent shipments for the duration of the contract.

C. FLUCTUATION OF MINIMUM EXPORT PRICES (MEP)

In the event of fluctuations in MEP during the contract period, the contracted FOB prices will be subject to not more than 5 percent increase or decrease of MEP prices per MEP listing no. 06/86 (Annex B).

EX68(37)

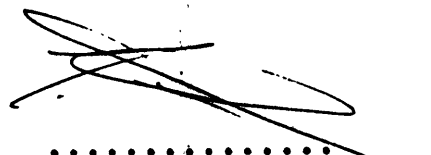
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MISKUS MARALEU

FOREST INDUSTRIES
COUNCIL OF PNG


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F.C CHEAH

ANGUS (PNG)
PTY. LTD.


.....
T. SANO

SANKO CO. LTD.

A680

ANNEX A

SPECIES, DIAMETER, PRICE AND PERCENTAGE FOR 3RD. TO 8TH. SHIPMENTS.

SPECIES	DIAMETER * SIZE (CM)	FOB PNG ** US\$/M3	CHF JAPAN US\$/M3	PERCENTAGE OF EACH SPECIE PER SHIPMENT
ROSEWOOD	60 CM + 48-59 CM LESS 48 CM (MAX. 10% OF TOTAL VOLUME OF ROSEWOOD)	193.05 132.00 66.00	216.05 135.00 89.00	20% - 25%
PENCIL CEDAR/ WHITE PLANCHONELLA	60 CM + 48-59 CM	78.00 52.00	101.00 75.00	NO MIN. OR MAX.
TAUN	60 CM + 48-59 CM	62.00 49.00	85.00 72.00	15% - 20%
GROUP 2A	60 CM + 48-59 CM	62.00 47.00	85.00 70.00	10% - 15%
GROUP 2B	60 CM + 48-59 CM	59.50 47.00	82.50 70.00	10% - 20%
GROUP 2C	60 CM + 48-59 CM	46.50 40.00	69.50 63.00	25% MAX.
GROUP 3	60 CM + 48-59 CM	41.00 33.00	64.00 56.00	15% MAX.

EX68(37)

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* Diameter assortment in percentages of 60cm+/48-59cm 65%/35% respectively.

** FOB calculated at freight charges of US\$23 per m3 for maximum 3 Japanese ports of discharge.

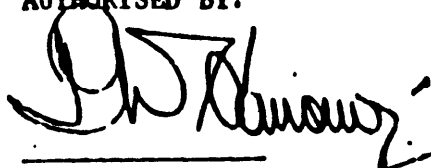
MINIMUM EXPORT PRICE FOR LOG EXPORTIN US DOLLARS/M3BRERETON SCALE VOLUMES(Except Sandalwood)**H081**
ANNEX BAll Conifer/Ebony/Cordia/Balsa are banned from export as logs.

GROUPS	SPECIAL PEELER SSP	PRIME PELLER SP.1	STANDARD PEELER SP.2	PRIME SAW LOG SS.1	STANDARD SAW LOG SS.2	LOG SAW LOG SS.3
GROUP 1						
Black Bean	203	195	186	178	80	60
Rosewood	176	169	162	143	80	60
Kwila	106	101	95	88	72	61
Walnut	96	92	86	80	65	55
Pencil Cedar, Planchonella (R/W)	87	84	80	77	65	55
GROUP 2A						
Tain, Calophyllum	68	65	63	60	55	50
K. Jawa (Anisoptera), Burckella,						
GROUP 2B						
Amo, Terminalia spp, Aglaia, Wau Beech, Red Cedar, Mangrove Cedar, Silkwood, Labula, Basewood, Antiaris, Kamarere, Canarium spp.	65	62	60	57	52	48
GROUP 2C						
Malas, Erima, Celtis (H&L), Amberol, Dillenia, Water Gum, Campnosperma	51	49	46	44	39	35
GROUP 3						
All other species not included in Groups 1, 2A, 2B and 2C	46	44	41	39	36	32
GROUP 4	All sawable low grade (SS.4), short logs (SS.5) and chip logs (SC): On Application.					
GROUP 5	Sandalwood K800 per metric tonne.					

Date of Effect: 1.10.86 - 31/11/86

All prior contracts are valid until 15.10.86
(if loading vessel arrives on or before 15.10.86)

AUTHORISED BY:



WEP KANAWI

Secretary for
Trade & Industry

ISSUED BY

FOREST INDUSTRIES COUNCIL OF PAPUA NEW GUINEA

ON BEHALF OF

DEPARTMENT OF TRADE & INDUSTRY

Telephone: 256399/256302
256216/256728Telex No: NE 22226
Fax No: 21 2911

EX68(37)

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A159



ANGUS
(PNG) PTY. LTD.

Fax Transmission

No.: 7-19

(total 2 pages)

洪嘉投资有限公司
Suite 502, Pacific View,
PO. Box 2755
Boroko,
Papua New Guinea,
Tel: (675) 258237
Telex: NE 23341

Date: 22nd July 1986File Ref.: 2-1-5(1)To: M.A. AngFrom: F.C. Cheah

cc: Charlie Koh

- A. Advance information on ~~3rd shipment~~ 3rd shipment, October 1986, FOB Millport Harbour.
Total volume: 10,000m³.

Species	Volume	Regular	Small
Rosewood	2,500m ³	USD 185.00	160.00
Taun	3,000m ³	73.00	55.00
Group 2A	1,000m ³	60.00	53.00
Group 2B	1,500m ³	58.00	51.00
Group 3	2,000m ³	48.00	43.00

B. Average Price : US\$88.13/m³

C. Port of Loading : Millport Harbour, Central Province

D. Rate of Loading : 800-1,000m³/day

E. Regular (60cm+) : Small (50-59cm) = 70:30

F. Marketing Strategy : Rosewood to be marketed to Japanese/Indian furniture makers.
Taun and Groups 2A, 2B and 3 for plywood manufacturers in Taiwan/Korea.

G. For detailed breakdown of Groups and species see enclosed MEP fact sheet.

H. Walnut, Kwila, Pencil Cedar and Planchonella occur in small volume in forest concession.

I. As our two Filipino foresters have just started work, it will take at least 2-3 months before we can have advance detail information on our standing forests.

F.C. Cheah.

EX6.8(34)

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SMP3

A160

702 4976

No: 04/86

MINIMUM EXPORT PRICE FOR LOG EXPORTIN US DOLLARS/M3BRERETON SCALE VOLUMES

(Except Sandalwood)

All Conifer/Ebony/Cordia/Balsa are banned from export as logs

GROUPS	SPECIAL PEELER SSP	PRIME PEELER SP.1	STANDARD PEELER SP.2	PRIME SAW LOG SS.1	STANDARD SAW LOG SS.2	LOG SAW LOG SS.3
<u>Group One</u>						
Black Bean	203	195	186	178	80	60
Wood	176	169	162	143	80	60
Walnut	96	92	86	80	65	55
Pencil Cedar, Planchonella (R/W)	87	84	80	77	65	55
Kwila	70	67	65	61	55	48
<u>Group Two A</u>						
Taun, Calophyllum, Amoora, Terminalia spp, Aglaia, Wau Beech, Red Cedar, Mangrove Cedar, Silkwood, Burckella, Camphosperma, Labula, Basswood, Mersawa (Anisoptera), Kamerere, Canarium spp.	65	62	60	57	52	48
<u>Group Two B</u>						
Las, Erima, Celtis (H & L), Moi, Dillenia, Water Gum	51	49	46	44	39	35
<u>Group Three</u>						
All other species not included in Groups One, Two A and Two B	46	44	41	39	36	32
<u>Group Four</u>	All sawable low grade (SS.4), short logs (SS.5) and chip logs (SC): On Application.					
<u>Group Five</u>	Sandalwood K800 per metric tonne.					

Date of Effect:- 1.06.86. All prior contracts are valid
until 15.06.86 (if loading vessel arrives on or before
15.06.86)

ISSUED BY:-

FOREST INDUSTRIES COUNCIL OF PAPUA NEW GUINEA
ON BEHALF OF
DEPARTMENT OF TRADE AND INDUSTRY

EX68(34)

82


ANGUS

738-0011
 Singapore
 Tel: 337 1111
 Telex: RS 55671 ANGUSG
 Fax: 3387333

FACSIMILE TRANSMISSION

 OUR REF: 274/86

 DATE : 23 AUGUST 1986

YOUR FAX NO : _____

 TO : ANGUS PNG

 CC : INTERNAL (TS, GMD, MS)

 FM : ANGUS SG

 RE : LC FOR 4 DOZERS

 RE : LC FOR 4 DOZERS

Attached pls find the proforma LC from EAC for your necessary action.
 Appreciate fax copy of your LC application. In your LC application, suggest
 amount be totalled up in one amount rather than as per proforma otherwise,
 we may have custom problem for the F.O.C. items.

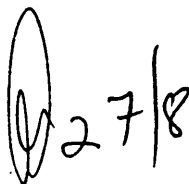
 RE : MEP FOR 1ST N 2ND SHIPMENT

1. Regret am not clear how to derive at the MEP for 1st N 2nd shipment even though we have MEP issued by FIC and copy of both LCs from Sanko.
2. Primarily, we do not know which of the figures of FIC's MEP to use.

Please advise.

Regards


 J. HENG



EX68(72)
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THIS TRANSMISSION CONSISTS OF 2 PAGES INCLUDING THIS PAGE.
 PLEASE ADVISE IMMEDIATELY IF TRANSMISSION IS INCOMPLETE AND UNCLEAR.

AGREEMENTPN ~
1348

UK

This Agreement is made this _____ day of August 1986 between Angus (PNG) Pty Ltd whose registered address is located at Apartment 502, Pacific View Apartments, Port Moresby, Papua New Guinea, hereinafter referred to as "The Company" and Roteson Investments Ltd of No. 1 Exchange Square, 31st Floor Central Hongkong, Hongkong, hereinafter referred to as "The Agent" whereas:

a) "The Company" is in the business of extracting and preparing for export timber products from the area prescribed by the Permit No. 3-22 issued under the Forestry Act (Chapter 216) of the Independent State of Papua New Guinea ; and

b) "The Agent" is engaged in the business of marketing timber products and is desirous of obtaining exclusive marketing rights to all timber products exported by The Company.

Now therefore for and in consideration of the mutual promises covenants and conditions hereinafter set forth, the parties hereto hereby mutually agrees as follows :-

Responsibilities of "The Company"

a) "The Company" warrants that it is the permit holder referred to under Permit No. 3-22 issued under the Forestry Act (Chapter 216) of the Independent State of Papua New Guinea and has the exclusive right to take and remove from the area described in Schedule 1 of the permit, the timber, other forest produce and roadmaking materials specified in schedules to the Permit for the period of five (5) years from the 1st day of May 1986 to 30th April 1991.

2/-

EX68(33)

1

E108(33)
A349 4

b) "The Company" hereby agrees that henceforth from the date of this agreement "The Agent" will have sole marketing rights to all timber products exported by "The Company".

c) "The Company" hereby agrees to refrain from marketing its own products or to appoint any other party to market any of its products. "The Company" will still entertain preliminary enquiries from potential buyers but will refer all such parties to "The Agent" for further negotiation.

d) "The Company" agrees to supply "The Agent" with a forecast of its production schedules every three months and any other information required by "The Agent" for effective execution of sales.

Responsibilities of "The Agent"

a) "The Agent" hereby agrees to market all timber products that can be exported by "The Company" within the provisions of the Permit (No. 3-22) issued by the Government of Papua New Guinea.

b) "The Agent" will purchase from "The Company" its products on a FOB Stowed basis at a price that is at least five (5) per cent above the minimum export price set by the authorities in Papua New Guinea.

c) Notwithstanding the above, "The Agent" will endeavour to obtain the best prices the market will bear.

Term of the Agreement

a) This agreement shall be in force until the 30th of April 1991 unless there is an extension to the period "The Company"

A350

continues to a permit holder under the Permit No. 3-22 issued by the Independent State of Papua New Guinea.

b) This agreement will continue to be in force during any extension to the period of the Permit No. 3-22.

This Agreement shall be binding upon and shall inure to the benefit of "The Company" its successors and assigns.

In witness whereof, the parties hereto hereby sign their names and affix their common seals the day and year first above written.

The Company
for and on behalf
ANGUS (PNG) PTY LTD

The Agent
For and on behalf
ROTESON INVESTMENTS PTE LTD

.....
Signed by :
Title :

.....
Signed by :
Title :

Witnessed by:

Witnessed by :

.....
Signed by :
Dated :
Place :

.....
Signed by :
Dated :
Place :

EX68(33)

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ANGUS
(PNG) PTY. LTD.

洪嘉投資有限公司
Suite 502, Pacific View,
PO Box 2755
Boroko,
Papua New Guinea,
Tel (675) 258237
Telex: NE 23341
Fax: (675)214542

FACSIMILE TRANSMISSION

This transmission consists of³..... pages including this page.
Please advise immediately if transmission is incomplete or unclear.

Transmission No.:
Date:^{8 SEPT '86}.....
To:^{MR. CHARLIE KOM}.....
.....
From:^{F. C. CHEAH}.....
.....
Re:^{LK PRICING}.....
.....

CONTRACT NO. 1

Confirm L/C for Contract No. 1 to amount to USD187,590. Prices per CBM are to be on FOB basis and as recommended as below:

SPECIES	QTY	L/C FROM SANKO TO S'PORE (US\$/CBM) FOB*	MINIMUM EXPORT PRICE (FOB US\$/CBM)	RECOMMENDATION FOR L/C FROM S'PORE TO PNG US\$/CBM (FOB)
Rosewood	900 cbm	143	84.30	95
Taun	600 cbm	60	54.70	58
Group 2A	390 cbm	56	54.70	55
Group 2B	360 cbm	48	41.60	44
Group 3	750 cbm	43	37.19	40
Total FOB	3000 cbm	US\$236,070		US\$187,590

We still have excess of US\$18,480 after lessing US\$30,000 to Singapore (US\$10/cbm). This excess to be utilised in second contract.

*Note : For computation of Sanko's FOB prices, we lessed US\$22/cbm for freight charges from Sanko's CNF price per L/C.

CONTRACT NO. 2

We will revert on pricing and other necessary clauses for L/C on second contract after having concluded the fourth to ninth contracts with Sanko. This is in view of the large shortfall seen below with prices based on Contract No. 1.

<u>SPECIES</u>	<u>QUANTITY</u>	<u>L/C FROM SANKO (FOB) US\$/CBM US\$/CBM</u>	<u>PRICES PER CONTRACT NO. 1 US\$/CBM (FOB)</u>
Rosewood	1500 cbm	139.25	95
Taun	2400 cbm	57.25	58
Group 2A	750 cbm	54.25	55
Group 2B	750 cbm	46.25	44
Group 3	600 cbm	41.25	40
TOTAL FOB	<u>6000 cbm</u>	US\$446,400.00	US\$379,950.00
LESS: ADVANCE		<u>(US\$300,000.00)</u>	<u>(US\$100,000.00)</u>
		<u>US\$146,400.00</u>	<u>US\$279,950.00</u>

Shortfall of US\$133,550.00

We may consider negotiating with Sanko for the advance to be spread over the proposed fourth to ninth contracts (Shipments of 6,000 CBM per shipment 6 times)

CONTRACT NO. 3

We confirm pricing on L/C for Contract No. 3 to be same as Contract No. 1 FOB prices.

EX68(72)

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A420



ANGUS

250, North Bridge Road,
#39-00, Raffles City Tower,
Singapore 0817.
Tel: (65) 3371111
Telex: RS 66671 ANGUSG
Fax: 3387333

FACSIMILE TRANSMISSIONOUR REF : 370/86DATE : 9 SEPT '86

YOUR FAX REF NO: _____

TO : AG PNG
CC : BCC , AG HX
CC : INTERNAL (CM, TS, MS, PJCT)
FM : AG SIN
RF : VISIT TO TOKYO

1. FURTHER TO OUR FAX 369/86, SUGGEST FOL TIMING:

A. 15/9.

(1) AM, MTG FC CHEAH, C KOH, BCC & ROTESAN IN BCC OFFICE TO DISCUSS

(A) DRAFT MARKETING CONTRACT BTWN ROTESAN & AG PNG. (ROTESAN TO PREPARE)

(B) DRAFT SALES CONTRACT (FOR 6 MTHS) ROTESAN/SANKO & ROTESAN/AG PNG. (ROTESAN TO PREPARE)

(C) DRAFT CHANNEL & AUTHORITY OF COMMUNICATION BETWEEN ROTESAN & ANGUS. (ROTESAN TO ADVISE)

(D) STATUS OF LC TO PNG FOR 1ST, 2ND & 3RD CONTRACTS.

(E) VIEW TAPE ON PNG LOGGING OPERATIONS.

(F) MEETING IN TOKYO ON 16/9, 1400/1900H

B. 16/9. MTG WITH SANKO & THEIR CLIENTS AND HOPEFULLY TO FINALISE CONTRACT SAME DAY.

C. 17/9.

(1) AM. MTG WITH SHIPPG COS.

(2) PM. ETD TYO FOR HX JL 001, 1815/2130.

D. 18/9. MTG FC CHEAH, JOHN K, C KOH, BCC & ROTESAN IN BCC OFFICE TO FINALISE

(1) MARKETING CONTRACT ROTESAN/AG PNG;

(2) 6 MTHS SALES CONTRACT ROTESAN/AG PNG INCLUDG PAYMENT TERMS;

(3) UTILISATION OF ADVANCE PAYMENTS (6 MTHS CONTRACT);

(4) CHANNEL & AUTHORITY OF COMMS ROTESAN/ANGUS;

(5) LC NEGOTIATION DTLS (PNG & HKG);

(6) HOW TO REDUCE DELAY IN LC FM HKG TO PNG.

.../2-

THIS TRANSMISSION CONSISTS OF _____ PAGES. IF TRANSMISSION IS RECEIVED INCOMPLETE OR UNCLEAR, PLC ADVISE IMMEDIATELY.

A421

-2-

E. 19/9. ETD HX.

WE WILL BE IN HK ON FRIDAY. TO MEET WITH BCC & AG BY ON SATURDAY
PERHAPS, WE CAN MEET IN AG HX OFC ON 13/9 AT 0900H.

3. MIGHT BE BENEFICIAL FOR JOHN K TO VISIT TOKYO ALSO.

ATTN : AG HX.

APPREC IF WE CAN DISCUSS ON OPTIONS FOR FUTURE OF A&C ON 13/9, FOR
FINALISATION ON 18 OR 19/9.

ATTN : BCC.

1. APPREC U COORD WITH ROTESAN TO PREPARE FOR ADV. DRAFT OF MARKETING
AGREEMENT ROTESAN/PNG ATTACHED. PLS PASS TO ROTESAN.

2. CAN WE MEET WITH ROTESAN IN BCC AT 1100H ON 13/9 FOR INITIAL MTG?

3. ANYTHING ELSE TO PREPARE OR NOTE IN RESPECT OF ABV?

ATTN : F C.

PLS ADV ECONOMY/BIZ CLASS FARE PUM/STURUT/SIN/HKG/TYO/HKG/SIN/COM.

BEST RGDS


 :ATT'D

EX68(72)

45



OR UNCLEAR, PLS ADVISE IMMEDIATELY.

PAPUA NEW GUINEA • JAKARTA • SINGAPORE • MALAYSIA • THAILAND • HONG KONG
HONG KONG • SINGAPORE • NEW YORK • LONDON • NIGERIA

**ANGUS**

INC. (PNG) PTY. LTD.

Angus Investment Co.
 Ltd.
 P.O. Box 275
 Boroko
 Papua New Guinea
 Tel (675) 258237
 Telex NE 23341

Ref: 2-5-2

22nd September 1986

A461

Mr Kiyoharu Usui,
 General Manager,
 General Merchandise Division,
 Sanko Co., Ltd,
 P.O. Box Tokyo International 5032,
 Tokyo,
 Japan.

Dear Mr Usui,

It was indeed a great honour and pleasure to have met your President, Mr Ken Tsukamoto, and yourself, and I wish to thank you for all the assistance and courtesy extended to us.

The discussions and negotiations were very frank and fruitful, and the exchange of views were indeed fair and I believe we both can now appreciate the policies of both our companies' positions viz-a-viz marketing strategy, pricing formulae, and financial assistance required by Angus.

Angus wishes to extend an invitation to Mr Tsukamoto and yourself to visit our logging camp and once again, we thank you for a most cordial visit to your office..

Yours sincerely,

F.C. Cheah,
 Managing Director.

EX68(72)

2

PAPUA NEW GUINEA • JAKARTA • SINGAPORE • MALAYSIA • THAILAND • HONG KONG
 KOREA • SAN FRANCISCO • NEW YORK • LONDON • NIGERIA

sent by Air
 22/9/86


ANGUS
(PNG) PTY. LTD.

Fax Transmission

No.: 9-17

URGENT

共嘉投资有限公司
Suite 502, Pacific View,
PO. Box 2755
Boroko,
Papua New Guinea,
Tel (675) 258237
Telex: NE 23341
Fax: (657) 214542

Date: 23rd September 1986

File Ref.: 2-5-2

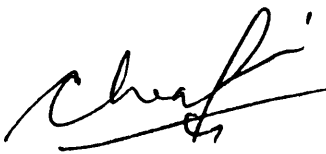
To: C. Koh
c/o Angus Hong Kong

From: F.C. Cheah

Proposed LC Pricing to Angus (PNG)

Species	%	Volume (M3)	MEP/M3 (FOB)	Actual Contract US\$/M3 (FOB)	Recommended US\$/M3 (FOB)
Rosewood	24%	1,440	82.55	139.25	90.00
Taun	17%	1,020	55.76	57.25	57.00
Group 2A	12%	720	55.76	54.25	56.00
Group 2B	22%	1,320	43.33	46.25	44.00
Group 3	25%	1,500	38.43	41.25	39.00
		6,000	330,735.00	420,900.00	344,640.00
Freight @ US\$22/cbm		6,000 cbm	132,000.00	132,000.00	132,000.00
Total CNF		6,000	462,735.00	552,900.00	476,640.00

In view of above, there is a shortfall of US\$64,890 between our recommended price and your proposed LC amount of US\$411,750.


F.C. Cheah.

EX68(35)
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Received				
Date: 23/9/86		Time: 2-5-2 hrs		
To	For			Initial
	Info.	Action	Comment	
F.C.	A			
J.K.				
K.C.				
S.N.				
D.L.				

Travelodge

SOUTHERN PACIFIC HOTEL CORPORATION LIMITED HUNTER STREET, PORT MORESBY, P.O. BOX 1661, PAPUA NEW GUINEA PHONE: 21 2266 TELEX: NE22248 FAX: 21 7534

17/8/86

Charlie,

Andrew, myself, John K & F. C. Cheah agreed to appoint Gerrard Kassman as our company Secretary (He is now a director of Angus PNG) and appoint Touch Ross as our company Auditor.

At present Angus PNG share are:

- 1) Angus Investment Pte Ltd. 20%
- 2) F. C. Cheah 50%
- 3) John K. 75%

As instructed Gerrard Kassman to re-issue share as follows:

- 1) Angus Investment Pte Ltd. 20%
- 2) F. C. Cheah 50%
- 3) John K. 9%
- 4) John K. — (This to hold for Andrew, John K will let us have the blank transfer form & the share certificate to reflect 35%) 35%

5) SIR TORA 31%

(This is to hold for Angus Investment Pte Ltd. & SIR TORA will let us have the blank transfer form & the share certificate to reflect 31%) — Charlie, we need also both John K & SIR TORA to effect the trust deed of these shares of 35% & 31% respectively.

Kindly study with F. C. Cheah & John K on the day to day policy of Angus PNG to conform with local law & to keep in line with Angus Group Policy.

Chap
F. C. Cheah

John K
John K

c.c. Tan Sri
C. KohTo Mr. M.A. Ang,
25th October 1986.

914

As discussed over the phone to-day -

1. Timber Permit shall be terminated at the latest by Tuesday 28th October.
2. Credit Corporation had on 21st Oct instructed Anger PUG that all their equipment to "stand down" and they have a contractor in POM to move in and take over the whole operations and the Timber Permit.
3. Other interested parties also moving in to take over the Timber Permit.
4. Camp wages not paid and interested parties to capitalize this by going to Press to put more pressure on Andrews.
5. Royalties, Export Duties, FIC levy and other creditors all taking action.

6. In view of the above I propose the following for your immediate consideration and approval:-

- A. Invite F.I.C. to sit on Anger PUG Board.
- B. All sales and LCs to be handled by FIC and to BSP for Anger PUG A/C.
- C. Anger and FIC to call-up all creditors and reschedule repayments.
- D. To settle immediately the Royalties, Export duty and creditors from funds to be raised on-shore ~~in~~ budget K200,000.

915

E. To engage logging contractor (prices shall be agreed by Tan Sri and yourself) to start-up immediately from 6,000 to 12,000 cbm monthly and payments to be assured by FLC.

F. To raise the K200,000 on-shore by selling Angun PMA shares from 5 to 10% and reduction of shareholdings to be made accordingly to present shareholders.

G. BCC/HK to make-up shortfall for 1st LC ASAP before BSP take drastic action which may blacklist BCC in the whole of Australia.

Your consideration and approval urgently required so as to salvage the Timber Permit.

Best regards.

F. C. Cheah

-6500

3100

2000

500

12000

a new
partner
needed to
buy 200,000
of existing cap.

25th October 1986.

Tan Sri Ghazali Shafie and Mr. M.A. Aug.

Greetings!

916

With reference to my position paper on the Timber Permit and my proposal to avert the cancellation of the Permit, one of the most urgent proposal is to raise K200,000 on-shore so as to meet this crisis head-on.

In order to raise K200,000 on-shore Angus PNG shall have to sell between 5 to 10% and thus all present shareholdings had to be reduced accordingly. In view of this I shall always continue to support both your interests in PNG with the shares held by me.

I hope and pray that the actions to be taken by all parties concerned shall be not in vain.

All my best regards and wishes

Chua

MINISTER FOR FORESTS

23 October 1986

151-3-22

ANGUS (PNG) PTY LIMITED

Further to our discussions with Michael Cowan on the evening of 20th of this month re: the Problems of Angus Pty Limited, I wish to further advise that the situation the Company is in now, is very critical. I feel that a decision on the future of the operation be made immediately.

Project in question, as you are well aware has been a subject of some controversy since its establishment in May this year. As Minister for Forests, you have been the subject of some of these controversy. I have given the project and in particular, the question of the future of this project very serious consideration. I have also taken into account the possible implications a decision whether or not to continue with the project very seriously. It would seem to me there are very limited options available to us but to make a decision on how to deal with the project from now on.

After much considerations, I feel that Angus (PNG) Pty Limited is in very deep financial problems that to continue to allow it to operate will not be in the best interest of either the landowners, the Office of the Minister and the Department of Forests. In line with this, I regret to recommend that we take immediate action to cancel the Timber Permit (PP 322) for Angus (PNG) Pty Limited.

CONFIDENTIAL

151-3-22

54

CONFIDENTIAL

: 2 :

It is suggested that taking this course of action now, although will be a hard thing to do, should pave the way for us to re-structure and re-establish a new timber project in the area.

Finally, people of the Amazone Bay area have gone through one sad experience in the endeavour to develop their forest resources. It is therefore essential that this project is safe and to minimize the exposure to the people of any failure of the project.

I believe the recommended course of action above will help us in achieving this.



O. MAMALAI
SECRETARY

CONFIDENTIAL

APPENDIX 39

ALLOCATION OF KUPIANO PERMIT TP3-4 TO GOODWOOD PTY LTD - SOME KEY DATES

- 4-6-86 ANG Timbers Pty Ltd advises Secretary, Department of Forests their logging and sawmill operation at Kupiano has ceased but that they are offering the the operation for sale.
- 5-11-86 Show Cause Notice served on Angus PNG Pty Ltd regarding Gadaisu Permit.
- 12-11-86 Goodwood Pty Ltd commences discussions with Secretary Mamalai and Minister Diro over Kupiano and Bonua-Magarida-Gadaisu timber areas.
- 14.11.86 Mr Mamalai signs Show Cause Notice to A.N.G. Timbers Pty Ltd allowing it until 14 December to show cause why its Kupiano permit should not be cancelled (A.N.G. claims it did not receive Notice until 3 December).
- 19-11-86 Goodwood continues discussions with Mr Mamalai and Minister Diro over Kupiano and Bonua-Magarida-Gadaisu areas.
- 20-11-86 Mamalai receives Goodwood's letter of 19 November setting out a one page Outline Proposal for Kupiano and a one-and-a-quarter page outline proposal for Bonua-Magarida-Gadaisu permits. (Copied to Mr Diro).
- 25-11-86 Mamalai writes approving proposals in principle but points out that permit for the Bonua-Magarida-Gadaisu area would issue to a local landowner company (Magi Wopten Pty Ltd) with Goodwood employed as its contractor.

- 27-11-86 Mr Mamalai refers proposals to his staff for assessment.
- 10-12-86 Departmental staff advise Secretary to reject the proposal because it is too brief to properly assess and because it seeks to combine 2 areas into one huge permit area.
- 10-12-86 MR DIRO CEASES TO BE MINISTER FOR FORESTS.
- 10-12-86 Diro signs Advice to Governor-General to Cancel Angus (PNG) Pty Ltd permit over Gadaisu (not delivered to the Governor General until 15 December).
- 11-12-86 STC letter is received by Secretary Mamalai. It explains it is negotiating to sell its A.N.G. Timbers operation at Kupiano as a going sawmill and has refused offers from companies which are merely interested in log exports. Requests that the Notice to Show Cause be withdrawn.
- 11-12-86 Minister Diro signs letter of intent to Goodwood promising that Goodwood will be the permit holder for both areas. He says that Magi Wopten Pty Ltd (the local landowner Company) will not be issued the Gadaisu permit.
- 11-12-86 Minister Diro signs Advice to Governor General to cancel Permit 3-4, the A.N.G. Timbers Pty Ltd Kupiano permit. (Time for ANG Timbers to show cause has not even expired yet).
- 11-12-86 Minister Diro signs timber permit for Goodwood over Kupiano area.
- 15-12-86 Mr Diro's Advice to Cancel Angus' Gadaisu permit and his Advice to Cancel A.N.G. Timbers' Kupiano permit are both delivered to Governor General. They had been held back until expiry date of A.N.G. Timbers' Show Cause Notice on 14 December.

- 15-12-86 Secretary Mamalai finally receives Goodwood's full proposal for both areas.
- 16-12-86 Mr Mamalai sends Kupiano Permit 3-23 to Goodwood.
- 16-12-86 Mamalai writes to NIDA urging it to register Goodwood Pty Ltd.
- 17-12-86 Goodwood thanks Mamalai for the Kupiano permit.
- 7-1-87 Legislative Counsel sends back the two Advices to the Governor General to cancel the Gadaisu and Kupiano permits. (They had not been properly prepared in his office and initialled by him).

In their evidence before the Commission neither Minister Diro nor Secretary Mamalai gave satisfactory explanations why they proceeded with such unprecedented haste in their endeavour to grant the Kupiano and Bonua-Magarida-Gadaisu permits to Goodwood Pty Ltd. In that haste a permit for Kupiano was signed before the A.N.G. Permit over the same area was cancelled and it was actually delivered to Goodwood only one day after Goodwood's full proposal was received at the Department of Forests.



B977

Office of the Ministry of Forests

TELEPHONE 258858
TELEGRAMS : FORESTS BOROKO
TELEX : NE 22360

P.O. BOX 5066
BOROKO
PAPUA NEW GUINEA

EX 106
20A

OUR REF 151-3-22
Sir Tore Lokoloko
Chairman
Angus (PNG) Pty. Ltd.
P.O. Box 2755
Boroko
National Capital District.

10 February 1987

Dear Sir,

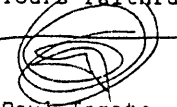
RE : ANGUS (PNG) PTY. LTD. - TIMBER PERMIT 3-22

Please be kindly informed that I as Minister for Forests have decided not to proceed with the cancellation of your company's timber permit.

My department fully supports the assistance given to your company by Forest Industries Council in restructuring of your company's affairs and in the appointment of a suitable contractor to increase production.

I am delighted with your proposals for the landowners trust and would personally be interested to review the same once your lawyers have completed the necessary documentations and registrations.

I wish your company good working relations with all parties concerned, and trust that my final decision on this matter will end all the confusions to date.

Yours faithfully,

Paul Iorato
Minister for Forests

c.c. : Hon. T. Diro - Minister
for Foreign Affairs
Central Provincial
Minister for Forests
Mr. O. Mamaisi
Secretary for Forests
Mr. M. Maraleu - Chairman
Forest Industries Council

Min. responsible for forests

MINISTER FOR FORESTS

158
B981

18 February 1987

151-3-22/
151-3-4ALLOCATION OF KUPIANO AND BONUA-MAGARIDA TIMBER AREAS,
CENTRAL PROVINCE

Consistency with stated objectives of this government for increasing the level of revenue being generated by the forest sector, and in an effort to enable two projects in the Central Province become operational as soon as possible, it has been found necessary to provide additional brief on the status of such projects.

The projects in question are the Kupiano (Cape Rodney) and the Bonua-Magarida areas of the Central Province.

1. Kupiano Timber Area

This area was formerly allocated to ANG Timbers, a subsidiary of Steamships under Timber Permit No. 3-4. About two (2) years ago, Steamships decided to get out of timber business. They subsequently did so and sold their Baimuru Sawmill in the Gulf Province. They wanted to do the same with their ANG Timber operation in Kupiano. However, they could not sell for the price they were asking for. After giving them over 10 months to do so, the Department in about October 1986 decided to recommend to the former Minister the cancellation of the Company's Timber Permit. Our recommendation was accepted and following the Cancellation of the said Timber Permit, a new one TP. 3-23 was issued to Goodwood (PNG) Pty Ltd. A copy of the new Timber Permit is attached.

...

The situation at the moment is that Goodwood is awaiting approval of its application for NIDA registration. This has been holding back the Company from starting its operation. The Company is keen to begin operation immediately and to this effect have brought in to Papua New Guinea some of its equipments from Malaysia. It is scheduled that NIDA will consider and decide on the Company's application tomorrow.

151-3-22

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.../2...

127
B9822. Bonua-Magarida Timber Area

The Bonua-Magarida Timber Area is immediately West to the Gadaisu timber area (see map attached). The latter area is covered under Timber Permit No. 3-22 issued to Angus (PNG) Pty Ltd. In that Permit however, there was a commitment that:-

- (a) subject to acquisition of TRP over the area; and
- (b) subject to the performance of Angus (PNG) Pty Ltd in the Gadaisu TRP area, the nearby Bonua-Magarida block would also be allocated to Angus (PNG) Pty Ltd under a consolidated Timber Permit.

Based on the abysmal performance of this Company the Department of Forests recommended the cancellation of its Permit to your predecessor in about October last year. Such recommendation was accepted and the Minister for Forests then advised the Head of State to cancel TP. 3-22. Soon after that (mid November 1986) there was the Ministerial reshuffle. In addition the Head of State referred the Cancellation Notice from your predecessor to the First Legislative Counsel for his initialling.

On the understanding that the Permit for Angus (PNG) Pty Ltd we negotiated with Goodwood Pty Ltd a new Agreement to develop the resource. A letter of Intent was issued to this effect by Mr. Diro.

I feel the Permit for Angus should be cancelled. Following Cancellation issue a new one to Angus (PNG) Pty Ltd only over the Gadaisu TRP and another Timber Permit to Goodwood Pty Ltd over the Bonua-Magarida area.

For your consideration and decision please.


O. MAMALAI
SECRETARY

... att.....

OM/mai

15/3-22

45

151-3-22


8 March 1987

First Legislative Counsel
 Office of Legislative Counsel
 Department of Presidential Affairs
 Marea Haus
 WAIGANI
 National Capital District

SUBJECT: FORESTRY ACT CHAPTER 116
CANCELLATION OF TIMBER

Further to your letter referenced P40 of 07 January 1987, I wish to advise that the Minister for Forests, Hon. Paul Toroto, has eventually decided that Timber No. 3-22 (S. Angus PNG) be cancelled. In consideration of this, I wish to request that you prepare the necessary notices and instruments to effect the cancellation.

Your early attention to this matter will be much appreciated.


 O MANALAI
 Secretary

Instrument on
Good

Original

151-3-22

46

B4991



Office of the Ministry of Forests

TELEPHONE 223866
TELEGRAMS: FOREST
TELEX LINE 22386

P.O. BOX 500
BOROKO
PAPUA NEW GUINEA

OUR REF 151-3-22

05 March 1987

H E Sir Kingsford Debela GCMG KSt J
Governor-General
Office of Governor-General
P O Box 79
PORT MORESBY
National Capital District

Your Excellency

151-3-22

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(3 pages)

(ORIG. + ALL COPY LETTERS +
ORIG INSTR INIT'D BY 1ST LEC/afz)

ADVICE TO GOVERNOR-GENERAL

I wish to inform you that in Meeting No. 37/86 held on 16 October 1986, the National Executive Council by virtue of the powers conferred by Section 149 (4) of the Constitution and all other powers it enabling, determined as per Decision No. 132/86 "that the powers, functions and responsibilities of the National Executive Council in advising the Head of State in all matters relating to the cancellation of timber permits and licenses be exercised through the Minister for Forests by instrument in writing in the name of the National Executive Council".

In accordance with the said Decision (No. 132/86) therefore and acting on behalf of the National Executive Council, I wish to advise you under Section 15 (3) of Forestry Act (Chapter 216) to cancel Timber Permit No. 3-22, issued to Angus (PNG) Pty Ltd to come into effect as from the date of publication of the instrument.

B992

... Attached herewith please find instruments in accordance with the subject of this advice. Such instruments have been prepared and initialled by the First Legislative Counsel.

Please execute the said instruments and return same to my office.

Yours sincerely

PAUL TORATO MP
Minister for Forests

... att.....

151-3-22
60
(3 pages)
(ORG. + ALL COPY LETTERS +
ORIG INSTR INIT° BY 1st LEG COUNCIL)

INDEPENDENT STATE OF PAPUA NEW GUINEA.

Forestry Regulation (Chapter 216).

CANCELLATION OF PERMIT.

I, KINGSFORD DIBELA, G.C.M.G., Kt., J., Governor-General, by virtue of the powers conferred by Section 15(2) of the *Forestry Regulation* (Chapter 216) and all other powers me enabling, acting with, and in accordance with, the advice of the National Executive Council, hereby cancel Permit No. 3-22, issued to ANGUS (Papua New Guinea) Pty. Ltd, who has failed to show sufficient cause why such Permit should not be cancelled and on and from the date of publication of this instrument in the National Gazette such Permit shall be void and of no effect.

DATED this day of , 1987.

GOVERNOR-GENERAL.

1990

The Executive Director

PORT WASHINGTON
National Capital District

10-10-68

SUBJECT: AUGUS (PIG) PTY LIMITED

This refers to my letter referenced 81-3-22 dated 4 March 1987 on the subject matter. Following discussion with the Minister for Planning yesterday, Angus Stevenson is being allowed to continue to operate the timber camp under Timber Permit No. 23. Consequently, we hereby give clearance for normal operations at this place.

You are truly

O. HAMALAKI
Secretary for Forestry

CC-1
Hon. Mr. Paul Torato MP
Minister for Forests
Franklin Street
MOMOLA
National Capital District

151-3-22

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PAPUA NEW GUINEA
Companies Act

Act, Sec 210(4)

Form 57

STATEMENT OF AFFAIRS

ANGUS (PNG) PTY LIMITED.

STATEMENT OF ASSETS AND LIABILITIES AS AT FEBRUARY 18TH 1987

	Cost or Book Value	Estimated Realizable Values
	K	K
1. ASSETS NOT SPECIFICALLY CHARGED		
(a) Land as detailed in Schedule A	Nil	Nil
(b) Sundry debtors as detailed in Schedule B	27,377.67	5,245.95
(c) Cash on hand		
(d) Cash at bank		
(e) Stock as detailed in Inventory	87,500.00	87,500.00
(f) Plant and equipment as detailed in inventory	45,755.00	23,200.00
(g) Other assets as detailed in Schedule C	87,207.51	77,000.00
	K	
2. ASSETS SUBJECT TO SPECIFIC CHARGES, LIENS, MORTGAGES BILLS OF SALE OR HIRE PUR- CHASE AGREEMENTS detailed in Schedule D	Nil	
Less amounts owing		
TOTAL ASSETS	247,840.18	192,929.55
TOTAL ESTIMATED REALIZABLE VALUES		192,929.55
3. Less PREFERENTIAL CREDITORS ENTITLED TO PRIORITY OVER THE HOLDERS OF DEBENTURES UNDER ANY FLOATING CHARGES as detailed in Schedule E		24,233.62
		168,696.33
4. Less AMOUNTS OWING AND SECURED BY DEBENTURE OR FLOATING CHARGE OVER COMPANY'S ASSETS TO:-		
Bank of South Pacific Limited		32,262.72
		136,433.61

APPENDIX 45

Balance brought forward		136,433.61
5. Less OTHER PREFERENTIAL CREDITORS as detailed in Schedule F		151,931.58
		(15,497.97)
ESTIMATED AMOUNT AVAILABLE FOR UNSECURED CREDITORS		Nil
	K	K
6. CREDITORS unsecured as detailed in Schedule G		
Amount claimed(K1,071,193.16)	1071,193.16	
7. BALANCES OWING TO PARTLY SECURED CREDITORS, as detailed in schedule H		
Total claims (K)		
Security held(K)		
	1,071,193.16	1,086,691.13
8. CONTINGENT ASSETS K		
Estimated to produce as detailed in Schedule I		
9. CONTINGENT LIABILITIES K		
Estimated to rank, as detailed in schedule J		404,000.00
10. ESTIMATED DEFECIENCY		1,490,691.13
Subject to costs of administration or liquidation)		
		=====
SHARE CAPITAL		
Issued (K 235,000)		
Paid up (K 235,000)		

ANGUS (PNG) PTY LTD
SCHEDULE J
CONTINGENT LIABILITIES

NAME AND ADDRESS OF CREDITOR	NATURE OF LIABILITY	GROSS LIABILITY	ESTIMATED TO RANK FOR
		KINA	KINA

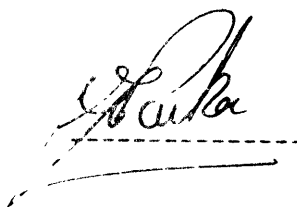
Credit Corporation Port Moresby	See below	404000.00	404000.00
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This covers anticipated claim from the Credit Corporation (PNG) Ltd for the anticipated shortfall between the revenue from disposal of repossessed equipment under a lease agreement and the initial cost, repair, transport and disposal costs. This claim may be modified by the reuse of the equipment by ongoing Angus operations.

TOTALS

I CERTIFY THAT THE PARTICULARS CONTAINED IN THIS STATEMENT OF AFFAIRS ARE TRUE TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Dated 1ST JUNE 1987



ANGUS (PNG) PTY LTD
SCHEDULE A
LAND

ADDRESS AND DESCRIPTION OF LAND	COST PRICE OR BOOK VALUE	ESTIMATED REALIZABLE VALUE	VALUATION FOR RATING PURPOSES	PARTICULARS OF TENANCY	WHERE POSSESSION OF DEEDS MAY BE LOCATED	SHORT PARTICULARS OF TITLE
---------------------------------------	--------------------------------	----------------------------------	-------------------------------------	---------------------------	--	----------------------------------

ANGUS HAS NO LAND ASSETS

ANGUS (PNG) PTY LTD
SCHEDULE B
SUNDRY DEBTORS INCLUDING LOAN DEBTORS)

NAME AND ADDRESS OF DEBTORS	AMOUNT OWING	AMOUNT REALIZABLE	DEFICIENCY	PARTICULARS OF SECURITY (IF ANY) HELD	EXPLANATION IF OR REASONS FOR DEFICIENCY
Margi Wopten P/L P.O. Box 16 MARGARIDA.	5229 95	5229 95			
Ottley and Ottley P.O. Box 1829 Port Moresby	15852 63	0	15852 63		Debtor insolvent
Sundry receivables	6295 09	0	6295 09		No record of debts
TOTALS	27477 67	5229 95	22147 72		

ANGUS (PNG) PTY LTD
SCHEDULE C
OTHER DEBTORS

DESCRIPTION OF DEPOSITS OR INVESTMENT	COST	AMOUNT REALIZABLE	
Deposits: Office	5050.01	.00	Deposits forfeited
Apartments	1300.00	.00	Deposits, forfeited
Utilities	200.00	200.00	
Oil drums	4657.50	800.00	Drums lost
Bank of South Pacific	76000.00	76000.00	

TOTALS 87207.51 77000.00

ANGUS (PNG) PTY LTD
SCHEDULE D
ASSETS SUBJECT TO SPECIFIC CHARGES LIABILITIES, BILLS OF SALE OR HIRE PURCHASE AGREEMENTS
OR HIRE PURCHASE AGREEMENTS

DESCRIPTION OF ASSET	DATE CHARGE GIVEN	DESCRIPTION OF CHARGE	HOLDER OF CHARGE	TERMS OF PAYMENT	COST OR BOOK VALUE	ESTIMATE OF REALIZABLE VALUE	AMOUNT OF CHARGE
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THERE ARE NO ASSETS OF THIS DESCRIPTION

TOTAL

ANGUS (PNG) PTY LTD

SCHEDULE E

PREFERENTIAL CREDITORS ENTITLED TO PRIORITY OVER THE HOLDERS OF
DEBENTURES UNDER ANY FLOATING CHARGE

EMPLOYEE'S NAME AND ADDRESS	WAGES	HOLIDAY PAY	LONG SERVICE	ESTIMATED LIABILITY
F. C. Cheah	600.00	2684.93		3284.93
J Kasaipwalova	600.00	2684.93		3284.93
Stephen Ng	600.00	1096.55		1696.55
Chin Choon Loong	600.00	1214.94		1814.94
Deidre Low	600.00	158.60		758.60
Sylvia Dela Cruz	600.00			600.00
Terestia Aquino	350.00	446.63		796.63
Ann Manual	185.00	58.91		243.91
John Peng	130.92	75.39		206.31
Januosa Nagang		33.51		33.51
Kobe Mabaya	102.34	30.72		133.06
Dominogo Pastors	600.00	872.60		1472.60
Tan Hun Leong	600.00	1326.36		1926.36
Andrestito Vega	600.00	451.07		1051.07
Alfonso Calubag	600.00	270.64		870.64
Bonifacio Munar	600.00	270.64		870.64
Romeo Tangbaan	600.00	270.64		870.64
Abdom Mandi	497.44	161.10		658.54
Clamencio Ramirez	600.00	193.32		793.32
Perdo Alde	600.00	327.56		927.56
Rodolfo Sabale	600.00	128.88		728.88
Reynaldo Coorneja	600.00	.00		600.00
Dioscorro Razo	600.00	.00		600.00
				.00
				.00
TOTAL	11465.70	12757.92		24223.62

ANGUS (PNG) PTY LTD
SCHEDULE F
PREFERENTIAL CREDITORS
(OTHER THAN THOSE DETAILED IN SCHEDULE E)

NAME AND ADDRESS OF PREFERENTIAL CREDITOR	DESCRIPTION OF AMOUNT OWING	AMOUNT OWING
The Chief Collector of Taxes	Export duty	90853.74
The Chief Collector of Taxes	Group payroll tax	57337.51
M. Pratley and Associates	Professional fees	3740.33

TOTALS

151931.58

ANGUS (PNG) PTY LTD
SCHEDULE G
UNSECURED CREDITORS

NAME AND ADDRESS OF CREDITOR	AMOUNT CLAIMED BY CREDITOR	AMOUNT ADMITTED AS OWING	REASON FOR DISPUTED AMOUNT (IF ANY)
Trade creditors as per list attached	558797.73	558797.73	
Credit Corporation	412188.39	412188.39	
H. L. Tan	3522.18	3522.18	
Shop and Save	22724.93	22724.93	
Forest Industries Trust account	539.44	539.44	
Outstanding salaries & wages (Balance from Sched. E)	73420.49	73420.49	
TOTALS	1071193.16	1071193.16	

ANGUS (PNG) PTY LTD
SCHEDULE II
PARTLY SECURED CREDITORS

NAME AND ADDRESS OF CREDITORS	PARTICULARS OF SECURITY HELD	NATURE OF SECURITY	ESTIMATED VALUE OF SECURITY HELD	AMOUNT OWING TO CREDITORS	AMOUNT ESTIMATE TO RANK AS UNSECURED
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There are no partly secured creditors.

ANGUS (PNG) PTY LTD
SCHEDULE I
CONTINGENT ASSETS

DESCRIPTION OF ASSET	GROSS ASSET	ESTIMATED TO PRODUCE
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There are no contingent assets

ANGUS (PNG) PTY LTD

23RD MAY 1987

A G E D T R I A L B A L A N C E

VER 3.10 PAGE 1

SUPP. SUPPLIER	TOTAL	CURRENT	30	60	90	Y.T.D	Y.T.D	-----LAST PAYMENT-----
NUMBER NAME			DAY	DAY	DAY	PRCHASE	PAYMENT	CHQ.NO DATE AMOUNT
ALOBTP ALOTAU BUILDERS & TRANSPORT	210.34	0.00	0.00	0.00	210.34	0	0	
ALCENT ALOTAU ENTERPRISES	15795.53	154.85	0.00	154.85	15485.83	310	0	
ALOSTP ALOTAU STEVEDORING & TRANSPORT	5409.53	0.00	0.00	0.00	5409.53	0	0	
ALUSPL ALU SIGNS P/L	3689.61	0.00	0.00	0.00	3689.61	0	0	
AMABST AMAZON BAY SAWMILLING P/L	1500.00	0.00	0.00	0.00	1500.00	0	0	
APASPO APANA SPORTS P/L	3200.00	0.00	0.00	0.00	3200.00	0	0	
ARCTPL ARC-TITAN P/L	18219.87	0.00	0.00	0.00	18219.87	0	0	
BORGPP BORAL GAS (PNG) P/L	321.45	0.00	0.00	0.00	321.45	0	0	
BISBEP BISHOP BROTHERS ENGINEERING	1500.00	0.00	0.00	0.00	1500.00	0	0	
BORHOT BOROKO HOTEL P/L	1208.55	0.00	0.00	0.00	1208.55	0	0	
BORHOT BOROKO MOTORS	4362.14	0.00	0.00	0.00	4362.14	0	0	
BOWMAN BOWMANS P/L	4317.56	0.00	0.00	0.00	4317.56	266-	0	
BRIBCP BRIAN BELL & CO. P/L	3466.61	0.00	0.00	0.00	3466.61	0	0	
BURPPL BURNS PHILP (PNG) P/L	14641.98	0.00	0.00	79.72	14562.26	80	0	
CARBWO CARLOS BODY WORKS P/L	697.41	0.00	0.00	0.00	697.41	0	0	
CHALI CCH AUSTRALIA LTD.	346.21	0.00	0.00	0.00	346.21	0	0	
CHAFSP CHARDS FORWARDING SERVICES	269.70	0.00	0.00	0.00	269.70	0	0	
CIGPNG CIG PAPUA NEW GUINEA P/L	3552.21	201.45	0.00	292.55	3058.21	494	0	
CITNEW CITY NEWS	32.00	0.00	0.00	0.00	32.00	0	0	
COOLYB COOPERS & LYBRAND	3725.00	0.00	0.00	0.00	3725.00	0	0	
DHLINT DHL INTERNATIONAL	323.00	0.00	0.00	0.00	323.00	0	0	
DICPLT DICORP P/L	362.50	0.00	0.00	0.00	362.50	0	0	
DOLLA DOLLARQUEST S/B	62.54	0.00	0.00	0.00	62.54	0	0	
DOUAPL DOUGLAS AIRWAYS P/L	1525.00	0.00	0.00	0.00	1525.00	0	0	
DRGMAS DR. GLEN MOLA & ASSOC.	354.60	0.00	0.00	74.90	279.70	75	0	
DRJJAC DR. J. JACOBI	282.00	13.00	0.00	25.00	244.00	38	0	
DUNPPL DUNLOP PNG P/L	9685.30	0.00	0.00	0.00	9685.30	0	0	
EDHOBH EDWARD H. O'BRIEN P/L	564.00	0.00	0.00	564.00	0.00	564	0	
ELAMOT ELA MOTORS P/L	13024.12	0.00	0.00	0.00	13024.12	0	0	
ELCOMS PNG ELECT COMM	3477.20	0.00	0.00	156.15	3476.05	1561	0	
FASST FASTAIR SPARES	12113.01	0.00	0.00	0.00	12113.01	0	0	
FLORA FLORA PASTORES (MRS.)	3743.84	0.00	0.00	0.00	3743.84	0	0	
FRAMWE FRAME HARVEY & WEST	280.50	0.00	0.00	0.00	280.50	0	0	
GADENS GADENS LAWYERS	6239.00	0.00	0.00	0.00	6239.00	0	0	
REJRE GREEN JADE REST	162.70	0.00	0.00	0.00	162.70	0	0	
HEAMBH HEATH MINIMAS INSURANCE	31141.11	0.00	0.00	0.00	31141.11	0	0	
HUGBER HUGO BERGHUESER	13981.62	0.00	0.00	0.00	13981.62	0	0	
INDTRA INTRAC PNG P/L	72092.00	0.00	0.00	20658.00	51434.00	20658	0	
INTDEL INTERIOR DELIGHT P/L	126.28	0.00	0.00	0.00	126.28	0	0	
ISLNHP ISLAND NARIMO HOTEL P/L	277.75	0.00	0.00	0.00	277.75	0	0	
JOHGAW JOHN GAWASI	9914.58	0.00	0.00	0.00	9914.58	0	0	
JOHKA JOHN K. GAWI & ASSOC	602.00	0.00	0.00	0.00	602.00	0	0	
JOHLPP JOHN LYSAGHT P/L	293.00	0.00	0.00	0.00	293.00	0	0	
JOHPHA JOHNSTOONS PHARMACY	409.18	0.00	0.00	0.00	409.18	0	0	
JUTMAL JUTTA MALINI	1649.61	0.00	0.00	0.00	1649.61	0	0	
KASDNA KASSMAN, DAVID & NAMALIO	19330.90	10490.80	0.00	4692.00	3648.10	15683	0	
KIRKES KIRKES LAWYERS	2706.50	0.00	0.00	0.00	2706.50	0	0	
KWAVRE KWANGTINS VILLAGE REST	1560.60	0.00	0.00	0.00	1560.60	0	0	
LAEPPL LAE PRINTING P/L	176.00	0.00	0.00	0.00	176.00	0	0	
LINBL LINDEN BLUESKIN	20.00	0.00	0.00	0.00	20.00	0	0	
LOHEPL LOEBERGER ENGINEERING P/L	1331.82	0.00	0.00	0.00	1331.82	0	0	
MASLOD MASURINA LODGE	284.00	0.00	0.00	0.00	284.00	0	0	

APPENDIX 46

ANGUS (PNG) PTY LTD

23RD MAY 1987

AGED TRIAL BALANCE

VER 3.10 PAGE 2

SUPP. SUPPLIER NUMBER NAME	TOTAL	CURRENT	30 DAY	60 DAY	90 DAY	Y.T.D PRCHASE	Y.T.D PAYMENT	-----LAST PAYMENT----- CHQ.NO DATE	AMOUNT
MASTCP MASURINA TRADING CO.P/L	4977.17	0.00	0.00	0.00	4977.17	0	0		
MOREPL MORGAN EQUIPMENT P/L	2456.76	0.00	0.00	0.00	2456.76	0	0		
MORSPL MOREHEAD SHIPPING P/L	870.83	0.00	0.00	0.00	870.83	0	0		
NARRAN NAROKOBI & RANGAI	60.00	0.00	0.00	0.00	60.00	0	0		
NATFPC NATIONAL FOREST PROD.	120.00	0.00	0.00	0.00	120.00	0	0		
NATION NATIONAIR	1630.00	0.00	0.00	0.00	1630.00	0	0		
NEUWMP NIUGINI MOTORS P/L	323.14	0.00	0.00	0.00	323.14	0	0		
NIUMPL NIUGINI NEWS P/L	507.00	0.00	0.00	0.00	507.00	0	0		
NIUSCP NIUGINI STEEL CORP.	348.22	0.00	0.00	0.00	348.22	0	0		
NWASAG N & W AULE SHELL AGENT	512.32	29.00	0.00	0.00	483.32	29	0		
OF2000 OFFICE 2000	1809.00	0.00	0.00	0.00	1809.00	0	0		
PACHMP PACIFIC HELICOPTER HLDG.	1534.78	0.00	0.00	0.00	1534.78	0	0		
PACPPL PACIFIC PAINTS P/L	504.13	0.00	0.00	0.00	504.13	0	0		
PAPNGC PAPUA NEW GUINEA COLOR LAB	39.05	0.00	0.00	0.00	39.05	0	0		
PLUBSU PLUMBERS & BUILDERS SUPPLIES	3922.96	0.00	0.00	0.00	3922.96	0	0		
PNGMPL PNG MOTORS LTD.	144.00	0.00	0.00	0.00	144.00	0	0		
PNGSOS PNG STATIONERY & OFFICE SUPPLY	1983.52	0.00	0.00	0.00	1983.52	0	0		
POMELC PORT MORESBY ELECTRICAL CO P/L	23.90	23.90	0.00	0.00	0.00	24	0		
POMOTV PORT MORESBY TRAVEL LODGE	2471.30	0.00	0.00	0.00	2471.30	0	0		
PORMMS PORT MORESBY MEDICAL SERVICES	110.40	0.00	0.00	41.10	69.30	41	0		
PORMRE PORT MORESBY REAL ESTATE	4333.34	0.00	0.00	0.00	4333.34	0	0		
POSATC POST AND TELECOM.CORP	29062.95	0.00	0.00	0.00	29062.95	0	0		
PRYJOI PRYDE JOINERY P/L	1807.11	0.00	0.00	0.00	1807.11	0	0		
PUBHDE PUBLIC HEALTH DEPT.	422.00	0.00	0.00	0.00	422.00	0	0		
REMPPL REMINGTON PNG P/L	1637.00	0.00	0.00	0.00	1637.00	0	0		
ROSCHE ROBERT CHEAH FOONG CHIEW	5400.00	0.00	0.00	0.00	5400.00	0	0		
RONMAN RONALD MANN	1600.00	0.00	0.00	0.00	1600.00	0	0		
SARSLI SARIBA SLIPWAY P/L	5100.00	0.00	0.00	0.00	5100.00	0	0		
SEPIBR SEPIK INT'L BEACH RESORT	91.00	0.00	0.00	0.00	91.00	0	0		
SHEAC2 SHELL PNG P/L - A/C #2	18623.70	0.00	0.00	628.00	12337.39	6286	0		
SHEPNG SHELL PNG P/L	4744.31	0.00	0.00	117.17	4627.14	1317	0		
SHOASP SHOF & SAVE P/L	7588.15	0.00	0.00	0.00	7588.15	0	0		
SOUPMP SOUTH PACIFIC MACHINERY P/L	1706.51	0.00	0.00	0.00	1706.51	0	0		
SOUPPP SOUTH PACIFIC POST P/L	247.52	0.00	0.00	0.00	247.52	0	0		
STESTR STEAMSHIPS SHIPPING & TRANS	10926.73	0.00	0.00	0.00	10926.73	0	0		
TALAIR TALAIR PTY LTD	68425.45	0.00	0.00	0.00	68425.45	0	0		
TAMN35 TAMWORTH 35 P/L	16129.00	0.00	0.00	0.00	16129.00	0	0		
TAUSPL TAURAMA SUPERMARKET P/L	5120.35	0.00	0.00	0.00	5120.35	0	0		
TAUSUP TAURAMA SUPERMARKET	1477.08	0.00	0.00	167.23	1477.08	167	0		
TECFER TECH PERUNDING	7338.47	0.00	0.00	0.00	7338.47	0	0		
TELPPL TELEPAGE P/L	2311.00	0.00	0.00	0.00	2311.00	0	0		
THEACP THE AUTO CLINIC P/L	322.70	0.00	0.00	0.00	322.70	0	0		
THEPLT THEODIST PTY. LTD	298.14	0.00	0.00	0.00	298.14	0	0		
TNTACA TNT AIR CARR	1783.96	0.00	0.00	0.00	1783.96	0	0		
TOMENG TOM ENGLISH	150.00	0.00	0.00	0.00	150.00	0	0		
WALWPL WALTERS WORKSHOP P/L	233.75	0.00	0.00	0.00	233.75	0	0		
WUWPL WUWAI PTY LTD	187.54	0.00	0.00	0.00	187.54	0	0		

REPORT TOTAL

TOTAL VALUE	556740.73
CURRENT VALUE	11413.07
30 DAY VALUE	0.00
60 DAY VALUE	35913.98
90 DAY VALUE	511670.75

SCHEDULE 01

2-6-2

AUG 29 1986 1541

0

ANGUS NE23341S BROADCAST MOMO

ANGUS NE23341

LPS RS25685

REF 1940/86

29.8.86

FOR B D C

CC FC CHEAH

'MARIA PILAR'

AA:PLS REQ QWRS TO TELEX SHPPRS ''ANGUS NE23341'' VSLG PRESENT
POSITION N ETA MILLPORT HARBOUR

BB:WUD APPRC ARRNGMNT WITH MSTR TO HV THE FLWG DUTY FREE FOR
DELIVERY TO ANGUS PNG FOR THEIR ACCOUNT:

- 1) 12 BTLS ROYAL SALUTE WHISKY
- 2) 24 BTLS BLACK LABEL WHISKY
- 3) 24 BTLS CHAMPAGNE
- 4) 500 BTLS BEER

TKS N RGDS

CB CHJA VVVV

EX68(35)

161

Ret D 1/9/87 AT 3:10pm



DEPARTMENT OF FORESTS

TELEGRAMS FORESTS

TELEX NE22360

TELEPHONE 277800

FAX: 254433

**FRANGIPANI STREET
P.O. BOX 5055
BOROKO
PAPUA NEW GUINEA**

The Official Manager Appointed
Angus (PNG) Pty Ltd
P O Box 1078
PORT MORESBY
National Capital District

Date: 8 September 1987

Our Reference: 151-3-22

Action Officer:

Designation:

Your Reference:

Date:


Dear Sir

NOTICE TO SHOW CAUSE - TP 3-22

The attached Notice is served on Angus (PNG) Pty Ltd due to non-compliance of Timber Permit conditions.

Under the Forestry Legislation, the Company has got one (1) month from the date of this letter to respond to this Notice to Show Cause.

Yours faithfully


A L TAGAMASAU
A/Secretary for Forests

c.c. Assistant Secretary
Forests - Konedobu

NOTICE TO SHOW CAUSE

TO: The Official Manager Appointed, Angus (PNG) Pty Ltd, ("the Company"), P O Box 1078, Port Moresby, National Capital District.

From: Acting Secretary, Department of Forests

RE: Timber Permit No. 3-22 ("the Permit") granted for a period of five (5) years from the first day of May, 1986.

WHEREAS under Clause 12(2) of the Permit, the Company is not permitted to fell or remove undersized tree without the prior written approval of the Secretary;

AND WHEREAS the Company failed to obtain prior written approval from the Secretary before felling and removing undersized trees as specified by Clause 12(2) of the Permit.

AND WHEREAS under Clause 18(1) of the Permit, the Company is required to employ sound marketing practices including product research and promotion, product quality control and diversification of market outlets in order to establish the highest returns to the permit holder;

AND WHEREAS the company failed to observe this requirement when it sold some 2,498.277m3 of logs through Amazon Bay Sawmilling and Timber Pty Ltd on 16/7/87 with the Letter of Credit in the name of that Company.

AND WHEREAS under Clause 26 of the Permit the Company is required to obtain approval from the Secretary if it wishes to enter into a Management Agreement with another party in order to execute the terms and conditions of this Permit;

AND WHEREAS the Company failed to observe this requirement when it engaged Santa Investments Pty Ltd to be its logging contractor.

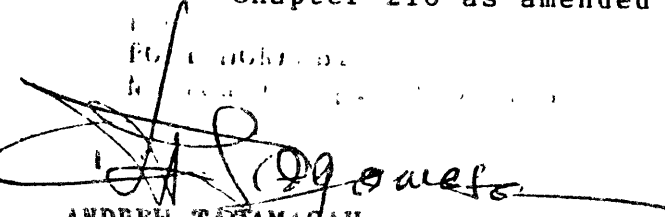
AND WHEREAS under Clause 27 of the Permit the permit holder is required to undertake forest rehabilitation trials on previously logged areas through Timber Stand Improvement, Line Planting, Opportunity Planting and Forest Plantations in consultation with the Secretary;

AND WHEREAS the Company failed to observe this requirement.

AND WHEREAS under Clause 28 of the Permit the permit holder was required within six (6) months of receipt of this Permit submit to the Secretary for approval a programme to establish an agricultural project totalling 4,000 hectares during the permit period;

AND WHEREAS the Company failed to submit a programme as specified in Clause 28 of the Permit, or implement the programmes as per Schedule 7 of the Permit.

NOW THEREFORE TAKE NOTICE that as a consequence of the failure by the Company to comply with the conditions of the Permit, I, ANDREW TAGAMASAU, Acting Departmental Head, Department of Forests, hereby call on the Company to show cause why the Permit should not be cancelled in accordance with Section 15 of the Forestry Regulation, Chapter 216 as amended from time to time.



ANDREW TAGAMASAU
Acting Secretary
Department of Forests
P O Box 5055
BOROKO
Papua New Guinea

EXTRACTS FROM MR GOODMAN'S FINAL SUBMISSIONS ON BEHALF OF MR E R DIRO

-2-

EVIDENCE - DOCUMENTS

In respect of the two relevant terms of reference 8 and 9 considerable documentary evidence has been adduced.

Mr. Diro concedes the veracity of all documents which were expressly dealt with in evidence by way of numbered photocopies. As to original documents not expressly referred to, Mr. Diro has no reason to doubt their veracity.

In relation to two important documents the following comments are made:-

1. Document 879 Travelodge Minute 170886.

The evidence is and Mr. Diro concedes that a block of shares being 35% of the issued capital of Angus was slotted against his name, well knowing that it would be for the purpose of the political party (which at January 1986 was yet to be formed). The evidence is and Mr. Diro concedes that the 35% block of shares was effectively allocated to his control as a leader of the Parliamentary Wing with control over the expenditure of funds.

2. EX 103 Confidential Memorandum 141086.

The evidence is that this document accurately reflects the intention and mechanism whereby the principals of Angus (PNG) Pty Ltd were to carry out transfer pricing in relation to log sales. Mr. Diro concedes that he was in possession of sufficient facts to establish that there was a sum of money which was to be created by virtue of transfer pricing offshore and which was also under his control as a leader of the Parliamentary Wing with control over the expenditure of funds. The evidence is that Mr. Diro did not consent to the transfer pricing activities and his fault was to fail to further investigate matters which came to his notice in relation to transfer pricing and he accepts that to that extent he is at fault. Mr. Diro made these concessions in his evidence on 031187. He has further conceded that it is possible that he discussed this document with Tan Sri Ghazali Shafi during his visit to PNG in October 1987 but he does not remember any such discussion. This evidence was also given in cross examination on 031187.

ALLEGATIONS

1. Secret retention by Mr. Diro of a block of shares being 35% of the issued capital of Angus (PNG) Pty Ltd and otherwise close association with the Angus group.

This allegation is dealt with in Mr. Diro's evidence as to the Travelodge Minute of 170886 and Mr. Diro concedes that this allegation is substantially true subject to the qualification that the block of shares was for the use of the party.

2. Receipt of benefits from the Angus Group.

Mr. Diro concedes the receipt of benefits and that the receipt of these benefits was improper as alleged. Whilst he has indicated that some benefits may be explained by reference to the bona fide interest of Angus (PNG) Pty Ltd in carrying out its activities (eg. airfares for local persons to Port Moresby) he concedes that these benefits were also benefits to him. He concedes that some benefits were exclusively of benefit to him.

3. Improper granting of the Transfer Permit to Angus (PNG) Pty Ltd.

Mr. Diro concedes that the proper procedures of the Department of Forests were not followed and that the effect of granting the permit to Angus (PNG) Pty Ltd has been a serious misapplication of this resource. He further concedes that at the relevant time he was associated with Angus (PNG) Pty Ltd and that the block of shares being 35% of the issued capital in that company had been allocated to his political party and over which shares he had control.

4. Involvement in Transfer Pricing Activities.

Mr. Diro concedes that the principals of the Angus Group were involved in Transfer Pricing activities. The evidence on this including his evidence is dealt with in the comments in respect of documents Travelodge Minute 170886 and Confidential Memorandum 141086.

-21-

MR. DIRO CONCEDES THAT THE DOCUMENTS REFERRED TO ABOVE ESTABLISH, inter alia:-

1. A close link between Angus Singapore and Angus PNG whereby Angus PNG is treated as a subsidiary subject to HQ in Singapore which had control of Angus (PNG) finances
2. Involvement by ERD in affairs of Angus Group to the extent disclosed by the documents
3. Angus Singapore retained 51% beneficial interest in Angus (PNG) in breach of NIDA
4. Clear evidence of transfer pricing activities by Angus (PNG) and evidence of attempted transfer pricing for all future log shipments
5. Benefits obtained by ERD and Mrs. Diro and business association with Angus (PNG) and Fuji Interiors
6. Circumstantial evidence of compelling persuasion in support of the four principal allegations dealt with specifically in these submissions.

CONCLUSION

Mr. Diro as a leader had become involved in an enterprise which had apparently sought to maximise its return from the development of a Papua New Guinean timber resource and at the same time to minimise its legal and moral obligations to Papua New Guinea, its creditors and particularly the traditional landowners of the timber resource. Mr. Diro is not attempting to excuse his involvement. With hindsight Mr. Diro sees that he was manipulated by a group of clever con men and in some cases criminals, who had set about deliberately to entrap him in their dealings and then subsequently to influence him to adopt their own low standards. Mr. Diro whilst he did not endorse the activities of the Angus principals did not act to prevent these activities when he had sufficient notice of them. He now admits his failure and regrets this inaction and concedes that he has by his conduct and inaction allowed a serious misuse of a valuable timber resource to the detriment of the owners of that resource and of the Papua New Guinean Timber Industry. This experience has taught him some valuable lessons and he hopes others will learn by it.

MINUTES OF MEETING HELD IN ANGUS (PNG) PTY LTD OFFICE, 30th SEPTEMBER 1986

Purpose of Meeting: To discuss ways and means to commence operations in the Vanimo Project.

Present at Meeting: Hon. E.R. Diro, Mr Pars R. Punj, Mr F.C. Cheah, Mr John Kasapwalova, Mr Michael Cowan.

The following points were agreed upon.

- 1/ Mr Punj proposed to take over the Vanimo project in total, which would include holding the lease over the area. He would then finance the project into "start-up" from a date to be agreed upon within the next thirty days.
- 2/ Mr Punj has agreed that within the next thirty days from the date of this minute he will produce a proposal in detail of his plan of operation.
- 3/ Angus (PNG) Pty Ltd will also submit within the same period of thirty days a further proposal.
- 4/ The two proposals, from Angus (PNG) and from Mr Punj, will be made available to the Minister for Forests who, after study and possibly further clarification discussions, will make a decision as to which proposal is acceptable. This decision will be final and accepted by both parties.
- 5/ It was agreed by both parties that they would exchange information where possible in order to assist them to prepare their proposals at short notice.
- 6/ It is the understanding that any considerations as to the above will assume exclusive supply of kwila logs/products from the area to Mr Punj's organisation.


F.C. Cheah


Pars R. Punj

30th September 1986

APPENDIX 50

APPARENT LIQUOR SMUGGLING

1. Many log ships come to Papua New Guinea unladen and often come to remote parts of the country.

Whilst the Commission has not taken detailed evidence of inward customs clearance procedures there appears to be a potential for dutiable goods to be carried in by such vessels and for those goods to be unloaded for consumption in Papua New Guinea without customs duty being paid.

2. In the case of ANGUS (PNG) there is clear evidence of liquor having been brought into Papua New Guinea in this manner.
3. By telex of 29 August 1986 (*Sch.01*) a request was made for the master of the vessel "MARIA PILLAR" which carried Angus (PNG)'s first log shipment to "have the following duty free for delivery to Angus PNG) for their account:

- (1) 12 bottles Royal Salute whisky
- (2) 24 bottles Black Label whisky
- (3) 24 bottles champagne
- (4) 500 bottles beer."

4. On 1 September 1986 (*Sch.02*) the shippers DOWA LINE of Tokyo advise "Charterers Angus Trading (S) Pte Ltd have onboard following good for you as Captain's care:-

- (1) 12 bottles Royal Salute whisky
- (2) 24 bottles Black Label whisky
- (3) Cans beer 24 cases."

The shipper asks Angus to arrange Customs clearance.

5. On the same day Columbus Navigation (one of the Angus Group companies) advises Angus PNG of this cargo and the price and relays the shippers enquiry about arranging customs clearance. (*See docs. Sch.03*).

6. On 6 September 1986 the shipper DOWA LINE was advised (See doc. Sch.04).
"Liquor. Angus PNG arranging with customs for taking delivery from vessel. Representative will inform you of formalities on arrival."
7. On 11 September 1986 Columbus Navigation sent Angus PNG the parcel list and debit note for the liquor supplied (see docs: Sch.05) and advised that settlement will be made on payment of freight for the first log shipment.

The liquor consisted of:-

- (1) 12 bottles Royal Salute whisky
- (2) 24 bottles Johnny Walker Black Label whisky
- (3) 21 cases of Kirin beer

The total cost was USD1,767-91.

The cost of this liquor was included in the freight bill of USD131,903-00 (Sch.06) which was ultimately paid (Sch.07 Item 1).

8. When the second proposed log shipment on "PNG TRADER" was being arranged a similar shipment of liquor and fruit was intended (Sch.08, Sch.09).

This consisted of:-

- (1) 6 bottles Suntry whisky
- (2) 96 cans Suntry canned beer
- (3) 20 kg apples and pears

This vessel was in fact utilised by the Forest Industries Council as Angus (PNG) had insufficient logs to load the vessel.

9. On the first shipment there is no evidence of Angus (PNG) paying the customs duty or import levy due on the liquor. Evidence was given 'in camera' of receipt of liquor and non payment of duty.

The Forestry Officer who oversaw the shipment DENNIS HOLVO was bribed by a cash payment of K1,000-00. Whilst he was not called, or even identified, the Customs officer who cleared the vessel was said to have received a carton of beer.

9. I have recommended that this aspect should be referred to the Collector of Customs.

SCHEDULE 08

OCT 06 1986 1854

•

ANGUS NE23341

LPS RS25685

REF 2099/86

6/10/86

ANGUS PNG CC C.KOH

FC CHEAH/CHUA

Sanku 2

PNG TRADER - ROTPOI YXQP OWRS CAN ARRNGE DUTYFREE LIQUOR/BEER
TBE SENT C/O MASTR. PLS TH4 ADV BRAND/QTY BY TOMMRW RGDS VVVV

•

ANGUS NE23341

AUTO LINE TEST PASSED

EX68(34)

51

FILE2

SEP 01 1986 1715

0

ANGUS NE233413SSS
222239400WAKK J
T0859

EX68(35)

039

139

1ST SEP 1986 TK-3380
TO ANGUS BOROKO
FM DOWA LINE TKY

RE : MV MARIA PILAR V9

WE, DOWA LINE CO LTD, TOKYO (TEL J25531 OR 222-1394) AS OWNERS OF
ABV VSL WUD LIKE TO INFM YOU THAT NOW VSL DISCH LOGS AT JAPAN N
EXPECT SAILING TO MILL PORT HARBOUR 4/SEP ETA 15/SEP STP AS ORDER BY

CHRTS, ANGUS TRADING (S) PTE LTD, HV ONBOARD FLWG GOOD FOR YOU AS
CAPTAINS CARE

1. 12 BTLS ROYAL SALUTE WHISKY
2. 24 BTLS BLACK LABEL WHISKY
3. CANS BEER 240CASES

CM MASTER WIL MAKE PARCEL LIST TFORE PLS ARRANGE NECESSARY CUSTOM
CLEARANCE ETC FOR DELIVER TO YOU UPON VSLS ARRVL FYG WE ORDERED CAPT

TO DELIVER THEM TO YOU WHEN YR STAFF COME ONBOARD

TKS N RGDS

0

ANGUS NE23341.....

Sanku

SCHEDULE 03



Columbus Navigation Pte. Ltd.

SHIPOWNERS • SHIPROKERS • SHIPMANAGERS • SHIPOPERATORS • SHIPPING AGENTS
208 NORTH BRIDGE ROAD #20-05 RAFFLES CITY TOWER, SINGAPORE 0817.
MAXWELL ROAD R.O. BOX 2870, SINGAPORE 2046.

A359

FAX TRANSMISSION

Date: 1 SEPT 1986 Fax No: 675-214542

Total Pages (including this one): 2 (304/86)

TO: ANGUS PNG - FOR ATTN: F C CHUAH

FROM: CN SPORA - C B CHUA

REMARKS/SUBJECT: S EXCHG WITH OWNERS/BROKER
"MARIA PILAR" FOR SUPPLY DUTY FREE LIQUOR.

Signature: *[Handwritten Signature]*

PLS LET US HV INFO TO PASS ON TO MASTER
AS TO HOW DECLARATION TO BE MADE TO
CUSTOMS AT PNG.

(NB: If you do not receive all the pages, please telephoner or telex us immediately.)

Received		1-1-1	
Date: 1/9/86		Time: hrs	
To	Info.	Action	Comment
FC	<i>[initials]</i>		
JK	<i>[initials]</i>		
K.C.			
SN			
DL			

[Handwritten: Dufk, R. 15/9, 15/9]

TEL: 330-3900 (4 Lines)

TELEX: RS 25085 LPS

FAX: 3367-333

CABLE ADD: "NAVISHIP" SINGAPORE

EX68(35)

163

2020 ATLOIG TOKISO SADOE1
 REPLY TO ORIGIN
 GDTLX
 AALLSTIK
 GDTLX +87/25685
 + + +

- 55390 - 01/09/86 10:02

TO: CN SINGAPORE
 FM: AALLBARNIL TOKISO

CHUA/BDC
 REF LIQUOR PLACE ABOARD HARIAPILAR
 OWNERS ADVISE DUTY FREE PRICE AS FOLLOWS:

12 BTLS ROYAL SALUTE WHISKY	15,000 X 12	= 180,000	180,000
24 BTLS BLACK LABEL	2,350 X 24	= 56,400	56,400
24 BTLS GORDON GIN	1,500 X 24	= 36,000	36,000
500 BTLS BEER	1,860 X 24	= 44,640	44,640

TTL YEN 300,360 PLUS SOME DELIVERY CHARGE X 1990
 OWNERS WANT PLACE ORDER BEFORE NOON TODAY FOR TIMELY SUPPLY
 SAME TIME DONT WANT TO DO IT FOR SHIPPERS ACCT BUT NEED YOUR CONFIRM
 THAT YOU WILL PAY FOR IT TOGETHER WITH FRATE WHICH PLS CONFIRM
 ALSO ANY TAXES OR DUTY IMPOSED IN PNG WUD BE FOR CHTRS ACCT
 WHICH PLS CONFIRM AND IN DUE COURSE ADVISE MASTER HOW TO DECLARE SAME
 WITH CUSTOMS IN PNG

AWAIT U

NNNN

↑ LPS R525685
 ↑ 889035 AALLCO G

↓ GA
 ↑ 07222255+0
 LPS R525685
 ↓ 0048773
 RS 013EP 1126
 AALLCO J22255
 ↑ LPS R525685
 REF 1948/86
 1/9/86
 BDC/CHUA
 MARIA PILAR
 THKB YRTLX 85390 1/9 + TELCON
 PLS DELETE MORDONGIN. CFMD CHTRS WILL PAY WITH FRATE ALSO TAXES OR
 DUTY AT PNG IF ANY FOR THEIR A/C
 RGDS
 VVVV
 ↓ 00.00.34

EX68(35)

Sankol 9/9

EX68(35)

166

SEP 06 1986 1130

•

ANGUS NE23341 BROADCAST MOMO

ANGUS NE23341

LPS RS25685

REF 1983/86

6.9.86

FOR DOWAKK J

CC AALLCO J

CC ANGUS NE

FOR MASTER 'MARIA PILAR'

LIQUOR ANGUS PNG ARRNGING WITH CUSTOMS FOR TAKING DELIVERY FROM
VSL REPRESENTATIVE WL INFORM U OF FORMALITIES ONARRVL.

RGDS CHUA VVVV



Columbus Navigation Pte. Ltd.

SHIPOWNERS • SHIPBROKERS • SHIPMANAGERS • SHIPOPERATORS • SHIPPING AGENTS
280 NORTH BRIDGE ROAD #29-00 RAFFLES CITY TOWER, SINGAPORE 0817.
MAXWELL ROAD R.O. BOX 2970, SINGAPORE 9048.

A438

FAX TRANSMISSION

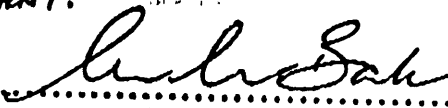
Date: 11 SEPT 1986 Fax No: 214542

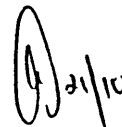
Total Pages (including this one): 2

TO : ANGUS PNG - FOR FC CHEAH CC CHARLIE KOH
CC GOH KIM SENG

FROM : CN - CB CHUA

REMARKS/SUBJECT: INV FOR LIQUOR O/B MARIA ALAR US\$1767.91
FOR SETTLEMENT ON PAYMENT OF FREIGHT FOR 1ST
LOG SHIPMENT.

Signature: 



(NB: If you do not receive all the pages, please telephone or telex us immediately)



EX68(35)

164

SCHEDULE 05

COPY

DEBIT NOTE

Messrs. ANJOU TRADING (S) PTY, LTD.

Date 5th September, 1966

No.

A439

DR. TO DOWA LINE CO., LTD.

N.Y. "MARIA PILAR"

To :

Parcel cargo supply charges . . . ¥249,960.-
(at Kishivada on 1st/Sept/66)

Royal Salute 12 BTLs
Black Label 24 BTLs
Coca Beer 24 C/B
(as per attached voucher)

Communication charge . . . ¥20,000.-
(including delivery & handling charge)

Total : ¥269,960.-

Ex. Rate of ¥152.70 (TEB dated 1/Sept) Equiv. US\$1,767.91

Due to us : US\$1,767.91

BANK : THE BANK OF TOKYO, LTD. AKASAKA OFFICE, TOKYO
ACCOUNT : U.S. DOLLARS A/C NO. 190462
FAVORING : DOWA LINE CO., LTD.

DOWA LINE CO., LTD.

[Signature]
T. HAGIWARA
Manager of Business Dept.

- H. & O. I. -

EX68(35)

164

SCHEDULE 05

M.V. "MARIA PILAR"
Manila

A 440

Date: 22 September '86

Port: Mill Port PNG

Last Port: Onahama, Japan

PARCEL LIST

WHISKY

JOHNNY WALKER BLACK ——— 24 bots

ROYAL SALUTE ——— 12 bots

BEER

KIRIN ——— 21 cases



A large, stylized handwritten signature or set of initials.

EX68(35)

164

Schedule 06



Columbus Navigation Pte. Ltd.

SHIPOWNERS • SHIPBROKERS • SHIPMANAGERS • SHIPOPERATORS • SHIPPING AGENTS

250 NORTH BRIDGE ROAD #39-00 RAFFLES CITY TOWER, SINGAPORE 0617

MAXWELL ROAD P.O. BOX 2870, SINGAPORE 9046.

A536

FAX TRANSMISSION

Date : 01 October 1986... Ref: 487/86... Fax No: 214542

TO: ...ANGUS PNG...ATTN MR FC CHEAH

FROM: ...COLUMBUS NAVIGATION...CB CHUA

CC: ...MR CHARLIE KOH

TOTAL PAGES (including this one): ONE

SUBJECT: MV "MARIA PILAR" 1ST SHPM

MESSAGE/REMARKS:

FROM OWNERS - MASTER REPORTED LOADED 5803.125M3

AA: THIS BASIS NET FREIGHT PAYABLE TO OWNERS IS:	
5803.125M3 X USD23/M3	= US\$133,471.88
LESS: BROKERAGE 2.5%	= US\$ 3,336.79
NET FREIGHT	US\$130,135.09
ADD: COST OF LIQUOR	= 1,767.91
TOTAL PAYABLE TO OWNERS	= US\$131,903.00
	=====

EX 68(35)
162

TO BE T/T REMITTED TO:
THE BANK OF TOKYO LTD
AKASAKA OFFICE TOKYO
US\$ A/C NO: 190462
FAVOURING: DOWA LINE CO LTD

BB: BROKERAGE DUE TO COLUMBUS NAVIGATION PTE LTD = US\$3,336.79
=====

TO BE T/T REMITTED TO:
THE HONGKONG & SHANGHAI BANKING CORPORATION
OCEAN BUILDING BRANCH
SINGAPORE 0104
S\$ A/C NO: 141-252619-001
FAVOURING: COLUMBUS NAVIGATION PTE LTD

CC: PLS TELEREMIT SOONEST WITHIN 5 BANKING DAYS AS PER C/F CLAUSE 25
AND CONFIRM.

REGARDS

Signature: 

A2/10

(NB: If you do not receive all pages, please telephone or telex us immediately)

SCHEDULE 07



ANGUS

Received		Date:	Time:	hrs
To	For			Initial
	Info.	Action	Comment	
F.C.				
J.M.				
K.C.				

250, North Bridge Road,
250-00, Raffles City Tower,
Singapore 0717.
Tel: (65) 2371111
Tele: (65) 2371111
Fax: 3387333

A616

FACSIMILE TRANSMISSION

OUR REF : 578/86

DATE : 14/10/86

YOUR FAX REF NO: _____

TO : BCC (ATN: DAROO/RAMAN)

CC : AG PNG (ATN: FC CHEAH CC: GOH K.S.)

CC : INTERNAL (T/S, CM, PJCT)

FM : AG SIN

RE : NEGO OF L/C FOR 1ST SHPMT.

EX68(35)

265

WE HV JUST RECD FLWG TELEX FM SANKO:

QTE:

↓ TLX TO ANGUS/SP
ATTN MR C.KOH

CC. ANGUS/PNG, BTK/SP

RE MARIA PILLAR SHPMNT
TKS YTLX 13/10

- 1) HV REMITTED O/FRT D131,903 TO DOWA LINE TDY
- 2) INV AMNT FOB D102,877.03 CNFMD SO PLS PROCEED 'CABLE NEGOTIATION'
THR YR BANK WE HV ALRDY INSTRUCTD OUR BANK FOR ACPTANCE OF ALL
DISCREPANCIES
- 3) MEANWHILE PLS RUSH PASS YR INVOICE WITH YR SIGNATURE TO OUR
SINGAPORE BRANCH WE NEED IT FOR CUSTOM CLEARANCE BUT INV MUST
SHOW AS FLWS

SPECIES	VOLUME(M3)	PRICE(US)	TOTAL
ROSEWOOD	1416.881	161.25	288,472.061
TAUN	1254.731	79.25	99,437.432
GROUP 2A	661.663	76.25	50,451.804
GROUP 2B	1200.770	68.25	81,952.552
GROUP 3	1269.080	63.25	80,269.310
TOTAL CF JAPAN			540,583.159
LESS: ADVANCE PAYMNT			300,000.00
LESS: DISCOUNT US1/M3			5,803.125
LESS: O/FRT			131,903.00
TOTAL NEGOTIABLE VALUE			102,877.03

UNQTE:

ATT'D PLS FIND OUR NEW INVOICE FOR NEGO OF L/C NO.012-LC-108125.

BEST RGDS - C.KOH

THIS TRANSMISSION CONSISTS OF 2 PAGES. IF TRANSMISSION IS
RECEIVED INCOMPLETE OR UNCLEAR, PLEASE ADVISE IMMEDIATELY.

OCT 13 1986 1141

SCHEDULE 09

•
ANGUS NE23341
2423940 OCEML J
NO.86-1191 13TH/OCT/86
TO ANGUS (PNG) PTY LTD
FM OCEAN MARITIME LTD

ATTN : MR.F.C. CHEAH - E/DIRECTOR

JUST SHIPPED OUR FLLWNG GIFT TO YOU ON M/V PNG TRADER.
TFORE PLS RECEIVE THEM FRM MASTER OF VSL AT PORT OF
PORT MORESBY.

-SUNTRY WHISKY (RESERVE) 6 BOTTLES
-SUNTRY CANNED BEER 96 CANS
-APPLE AND PEAR 20 KGS

MTIME VSL SCHEDULE TO BE :
SAILED TOKYO 9TH/OCT. GUAM 14/15TH OCT. LAE 20/21ST OCT.
PORTMORESBY 24/25TH OCT. THENCE TO MILLPORT HARBOUR.

B/RGDS FRM TONS

.....

EX68(34)

32

SHIP2

APPENDIX 51

THE JAGUAR VEHICLE

1. It seems clear on the evidence that the saga of the Jaguar XJ Saloon AIA 648 began in April 1985.
2. The following sequence of events is clearly documented:
 - (a) On 25 April 1985 LEE HONG NGEE paid a deposit of S\$5,000-00 on the vehicle (Sch.01).
 - (b) On 14 May 1985 Mr Diro telegraphic transferred to one HARDY LEE in Singapore the sum of K8,135-86 (USD8,000-00) which he told his bankers PNGBC Port Moresby was for a Jaguar vehicle he had bought whilst overseas. (Sch.02)
 - (c) On 15 May 1985 Lee Hong Ngee paid a further S\$11,034-90 of which S\$9,820-00 was for purchase price S\$1,138-00 for repairs and S\$76-50 for advertising expenses. (Sch.03)
 - (d) On 16 May 1985 Lee Hong Ngee paid a further S\$1,000-00 (Sch.04) taking the total then paid by way of purchase price and documented by receipts to S\$15,820 and the total then paid for repairs to S\$1,138-00.
 - (e) On 17 May 1985 LEE HONG NGEE arranged purchase of the vehicle pursuant to a hire purchase agreement.
The price was shown as S\$32,000 in this agreement with a cash deposit of S\$20,000 and balance due of S\$12,000-00.

This balance plus interest of S\$1,800-00 aggregating S\$13,800-00 was payable by twelve monthly instalments of S\$1,150-00 each beginning 17 June 1985 and payments were to be made to PRESTIGE MOTOR CO. (Sch. 05)

(f) In July/August 1985 the vehicle was extensively repaired and overhauled and new hub caps were supplied at costs respectively of S\$5,731-60 and S\$350-00 aggregating S\$6,081-60. These costs were, I find as a fact paid by MOIC Investments Pte Ltd. Copies of the invoices and payment voucher are at Schedule 06.

(g) On 29 August 1985 MOIC Investments paid to PRESTIGE MOTOR CO. the sum of S\$11,457-80 described on the payment voucher as "Purchase of Jaguar for Minister for PNG" (Sch.07). I find as a fact that this was the sum then required to pay out the hire purchase agreement (with rebate of interest) and was paid to the party entitled to receive payment under the terms of that agreement.

3. In August/September 1985 (when arrangements were being made to establish Angus in PNG) it was arranged to ship this vehicle from Singapore to PNG. The shipment cost was S\$5,060-00 (Sch.08). There is clear evidence MOIC Investment paid S\$2,560-00 of this freight cost (Sch.09). There is no objective evidence as to how or by whom the residual S\$2,500-00 of this cost was paid.

4. Pausing at this stage it is necessary to seek to ascertain what had occurred.

(a) At the time (September 1985) that Angus (PNG) was being established it was necessary to determine what preliminary costs incurred and paid by MOIC Investments Pte Ltd. in Singapore should be charged to Angus (PNG). The payment referred to in 2(g) above of S\$11,457-80 and in 3 above of S\$2,560-00 aggregating S\$14,017-80 were so charged to Angus PNG (Sch.10). The repair and hub caps expense of S\$6,081-60, whilst clearly paid by MOIC Investments Pte Ltd was not charged to Angus (PNG).

The total amount paid by MOIC Investments Pte Ltd was clearly then at least S\$20,099-40.

- (b) There is objective evidence in the form of passport visas and entries that Mr Diro was in Singapore in April and May 1985.

There is also objective evidence that in May 1985 Mr Diro telegraphic transferred USD8,000 to one Hardy Lee and told his bankers at the time that this was for a Jaguar motor vehicle he had bought.

Mr Diro gave evidence he believed LEE HONG NGEE and Hardy Lee were the same person and I accept that such is the fact.

- (c) What occurred beyond the foregoing is not indicated by objective evidence. It has been established through examination of Central Bank records, that no further funds were lawfully remitted from Papua New Guinea to pay for this vehicle by Mr Diro or any companies which he controlled.

Mr Diro was given all the relevant evidence weeks before he gave his explanation and had an abundant opportunity to consider that evidence before giving his explanation. What Mr Diro said in explanation was that on his visit to Singapore in April 1985 he had handed Hardy Lee USD9,000-00 in cash and on his return to Singapore from Hong Kong in May 1985 he handed Hardy Lee a further USD3,000 in cash. He said these funds came from a property sale and were illegally taken from Papua New Guinea without disclosure to the Central Bank. He said this USD12,000 cash taken with the USD8,000-00 lawfully transferred through PNGBC on his return to PNG in May, aggregating USD20,000-00, represented the total purchase price, repair and reconditioning costs and freight charges for the vehicle. The alleged dates of payments, however, are at odds with the payments made by LEE HONG NGEE and evidenced by receipts.

By claiming he had paid the full purchase price for the vehicle Mr Diro was hoping to avoid criticism for using a vehicle paid for by Angus. This would however have left him exposed, as owner of the vehicle, to criminal prosecution for the illegal way in which it was later imported into PNG.

When reading and elaborating his written statement to the Commission he sought to avoid this trap by claiming that MOIC Investments bought the vehicle from him in Singapore on a "pay later" basis and that its importation into PNG was arranged by MOIC/Angus as owner of the vehicle. He went on to say that when MOIC/Angus failed to pay him the purchase price after a few months he took possession again in Papua New Guinea and started to use the vehicle. This story is very hard to believe and has the appearance of one carefully constructed after the events to explain away Mr Diro's dilemma that either he has been driving his own car, in which case he was guilty of an offence under the *Customs Act* or he has been driving MOIC's car in which case he has been receiving an improper benefit while Minister for Forests.

Mr Diro's explanation was tested in cross examination but, as often occurred he shifted ground and sought to say the USD3,000-00 cash, payment came in part or whole from funds held in trust for him in Hong Kong. He offered no objective evidence of the property sale or of the funds allegedly illegally taken out of Papua New Guinea.

Mr Diro's explanation was unsatisfactory, tailored to meet the evidence adduced and unsupported by any corroborative evidence.

I reject Mr Diro's explanation. I do not find he paid an aggregate USD12,000-00 in cash in Singapore to Hardy Lee and I find that he has never been the owner of that vehicle.

5. The Jaguar vehicle was clearly known about in Papua New Guinea by John Kasaipwalova and F C Cheah (*Sch.11*). The arrival of the vehicle in Papua New Guinea however raised another problem for the cash starved Angus (PNG) : customs duty on the vehicle had to be paid.

Mr Diro was well aware of the problem and he did not have the funds to pay duty.

On or about 8 October 1985 Mr Diro conferred with his bankers PNGBC and the handwritten notes made at the time and filed on the bank file read as follows in relation to this vehicle:-

"Jag. Keep until someone buys it. Paid for. Import duty 28% on value will be paid (MOIC will lend it to ERD (hopefully)). Put price USD9,000. MOIC bringing in as co vehicle designated as Chairman's car."

Mr Diro clearly knew the price of the vehicle was being "put" at about USD9,000 for the purpose of paying import duty.

6. On 17 October 1985 the vehicle was delivered out of Customs to the clearing agent Burns Philp (PNG) Ltd. pursuant to an undertaking to account for the vehicle and to pay duty if it was not accounted for.
7. On 23 October F C Cheah telexed Angus in Singapore regarding execution of a sales agreement which was required for customs duty purposes. The instruction was precise and clearly a document was drawn up pursuant to it. (*Sch.12*)
8. On about 6 November 1985 the Customs form of *Entry for Home Consumption* was completed based on a price of K10,481-78 (at an exchange rate of K1.00 = S\$2.245) (*See Form and Calculation Sheet Sch.13.*). A copy agreement fitting the instructions given by F C Cheah was presented for duty purposes (*Sch.14*).

The duty was thus assessed on a value of S\$23,531-596. It seems clear from the documents presented duty calculation was based on -

Purchase price	S\$17,500-00
Repair & reconditioning costs	S\$ 5,731-60
Cost to supply & fit hub caps	S\$ 350-00
	<u>S\$23,581-60</u>

Implicitly the base price on which duty was calculated was the S\$17,500-00 shown in the Sales Agreement. (*Sch.14*)

The total customs duty and general import levy assessed amounted to K11,977-72.

9. In October 1985 Angus (PNG) paid the expenses necessary to obtain the safety sticker; Burns Philps' wharfing and handling charges, third party insurance premium and registration fees and the vehicle was registered in the name of Angus (PNG) Ltd on 24 October 1985 (Sch.15). Angus (PNG) also paid for the vehicle to be buffed and polished. Registration was renewed in Angus (PNG) name in November 1986.

10. In November and December 1985 John Kasaipwalova sought additional funds from Singapore to pay the duty of K11,977-50 but failed to obtain the funds (Sch.16). By January 1986 Kasaipwalova is confronted by Mr Aria of the Customs Office and sought to obtain time to pay duty in order to obtain funds from Singapore. Mr Aria demanded immediate payment in full of the duty.

In circumstances not explained to me the Customs entry documents were uplifted from the Customs Office and as a result the payment of duty was not pursued and the non payment went unnoticed until revived by this Commission's enquiries.

11. Mr Diro conceded through his Counsel -

- (a) that he at all material times upto the time of making the concession had the use of this vehicle.
- (b) that Angus (PNG) paid various costs and expenses associated with the vehicle both before and after Mr Diro became Minister for Forests.

In his evidence Mr Diro sought to say that for the first six months or so the vehicle was kept at Pacific View Apartments but that he thereafter had custody of it.

12. Counsel Assisting read to Mr Diro during cross examination relevant Sections of the *Customs Act* and then asked for an adjournment for Mr Diro to consult his Counsel before putting to Mr Diro certain

questions. After this adjournment Mr Diro was asked and agreed:-

- (a) that at the time of its entry into Papua New Guinea this vehicle was owned by MOIC Investments Pte Limited.
- (b) that the value of the vehicle was falsely stated for the purposes of assessment of Customs duty.

13. In view of my finding, as the facts clearly indicated, that the value of the vehicle was understated and that the invoice (Agreement) prepared on F C Cheah's instructions was a false invoice it is unnecessary for me to determine whether MOIC Investments Pte Limited or Angus (PNG) Pty Limited in fact owned this vehicle.

Clearly Mr Diro never owned it at any time and I believe the vehicle is forfeit to the State.
(At the most Mr Diro paid US\$8,000 towards the cost of the vehicle. This was the amount he paid to Hardy Lee apparently before MOIC Investments took over the payments).

14. There is evidence that, since giving evidence to the Commission, Mr Diro has arranged for the under-assessed duty to be paid by Taurama Supermarket Pty Limited (K11,500.00) and his company Tamworth 35 (K477.72) (Sch.17) This would not, I believe, affect the forfeiture as Mr Diro was in full possession of the facts when the underpayment was made.



萬一企業(私人)有限公司
THE ENTERPRISE PTE LTD
 MarIntec House 210, Lavender Street, Singapore 1233.
 Tel: 292-1488 (5 Lines) Telex: RS 35679 TESIN
 P.O. Box 682 Crawford Post Office

OFFICIAL RECEIPT

No. 9926
25.4.85

Date

RECEIVED from Messrs

the sum of Singapore Dollars

Mr. Lee Hong Ngee

one thousand only

REVENUE



being payment of

Deposit on used unit Jaguar XJS Saloon

Deal to be settled by 8.5.85, if not deposit is non-refundable

(Agreed Price \$2400.00)

THE ENTERPRISE PTE LTD

✓ \$5,000.00

SS

Vehicle No.

EE 3633

Cash

Cheque No.

HP Agmt. No.

Authorized Signature

N.B. The receipt is valid subject to realization of cheque

CUSTOMER'S COPY

PAPUA NEW GUINEA BANKING CORPORATION

REQUISITION FOR OVERSEAS DRAFT, MAIL TRANSFER OR TELEGRAPHIC TRANSFER.

I/WE **MR R BIRJ** (Name in Block Letters—Surname I)

OF **BOX 6969 BOROKO** (Name in Block Letters—Surname I)

THE ISSUE OF A •Draft/Mail Transfer/Telegraphic Transfer **1145** ON **SINGAPORE** (Country) FOR THE SUM OF **8000** (Figure only)

- PAYABLE TO **MR HARDY** (Payee Name)
- FOR ADVISE AND PAYMENT TO **MR MICHAEL HOW** (Payee Name)
- FOR CREDIT OF **MANAGER** (Payee Name)
- HOLD AT THE DISPOSAL OF **STANDARD CHARTERED BANK** (Payee Name)
- **TANGKIN SINGAPORE** (Payee Name)

The Bank not to be liable for any consequences arising from any circumstances whatsoever beyond its control. (Signature)

Overseas Currency Amount	Rate of Exchange	PNG Currency	PNG Currency
8000	983	7864	
			NOTES
			COIN
			CHEQUES (not available until cleared)
			TOTAL PAID
			Less Charges and Costs
			TOTAL K

PR **GRAB**
by 4/10/69

TH
LTA#8

HSBC

SINGAPORE

HEAD OFFICE
REFER LENDING DEPARTMENT

PORT MORESBY

6 May 1985
MGR:IRW:hd

M/C - A/A - TAMOTE TOWN HOUSES PTY LTD
6521-413 F/D/L DR K99250 L/-IN REDN I/R 12.25%
6521-405 RELATED A/C DR K1397
6181-543 TED DIRO DR K 967
IBD - K17000
SECURITY K135000 + G/U

Excesses have been allowed on the personal account pending prepayment of K1000 from the IBD which has been approved by Chief Manger to assist with political expenses during the recent Government re-shuffle. The overdrawings on the related Tamote Town Houses account were allowed pending receipt of rentals from Air Niugini.

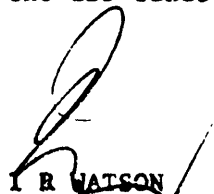
Mr Diro has called to execute the prepayment authority for the K1000 of the IBD and has requested that we increase the amount to be repaid to K10000. These funds are to assist with personal expenses and to pay USD 8000 to cover costs of repairing and importing a Jaguar car he bought recently while overseas. He has also mentioned the possible need to use the balance of the IBD funds to pay a deposit of K13400 on a N.H.C. house valued at K134000.

The jaguar car is to be sold on arrival in PNG for K40,000. It is doubted that such a price would be achieved as the vehicle is seven or eight years old although it is being extensively renovated. Mr Diro has also mentioned that if not sold vehicle will be leased.

The N.H.C. house will be financed by that Commission on a rental purchase basis over 20 years. The property will be leased.

Overall the position is not particularly attractive and prospects of sale of the vehicle are uncertain. The balance of the NHC deposit cannot be met if the car is not sold. We seem to be unable to channel Mr Diro into acceptable business ventures although the NHC house has some prospects. He is however committed to the car project and unless this is successful he cannot raise a deposit on the house.

At this stage it is recommended we relinquish any control over the IBD funds and that they be released in full to Mr Diro.



I. R. WATSON
Manager

SCHEDULE 03



為一企業(私人)有限公司
THE ENTERPRISE PTE LTD

Marintec House 210, Lavender Street, Singapore 1233.
Tel: 292-1498 (8 Lines) Telex: RS 35879 TEBIN
P.O. Box 882 Crawford Post Office.

OFFICIAL RECEIPT

No. 10209

15.5.85

Date

RECEIVED from Messrs

Mr. Lee Hong Ngie

the sum of Singapore Dollars

Eleven thousand & thirty (S\$) & cents only

being payment of

advertisement @ 76.50, Repair bills @ 1,130.00 & Part down payment
on Jaguar XJ 6 4.2 201000 @ 9,820.00

✓ S\$ 11,034.50

Vehicle No.

EE 3633 F

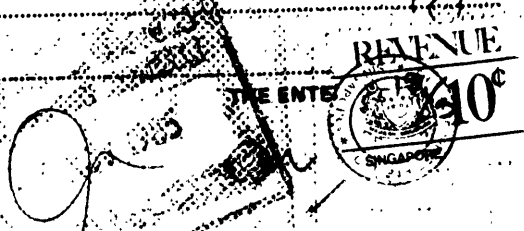
VP # 0986

Cash

Cheque No.

HP Agmt. No.

Authorized Signature



N.B. The receipt is valid subject to realization of cheque



第一企業(私人)有限公司
THE ENTERPRISE PTE LTD
 Maritime House 210, Lavender Street, Singapore 1233
 Tel: 222-1488 (8 Lines) Telex: RS 35879 TESIN
 P.O. Box 882 Crawford Post Office

OFFICIAL RECEIPT

No. 10228

Date 16.5.85

RECEIVED from Messrs Mr. Lee Hong Ngien
 the sum of Singapore Dollars One thousand only

being payment of Part downpayment on Jaguar XJ6 4.2 Saloon

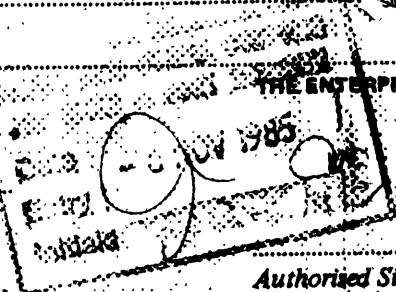


✓ 1,000.00
 S\$

Vehicle No. EE 3633 T
VP #0986

Cash
 Cheque No. _____

HP Agmt. No. _____



Authorized Signature

N.B. The receipt is valid subject to realization of cheques

HIRER'S CO



TAT LEE FINANCE LIMITED

(INCORPORATED IN THE REPUBLIC OF SINGAPORE)

HEAD OFFICE

G1, GROUND FLOOR, DUNN HOUSE
80, CECIL STREET, SINGAPORE 0108

HIRE PURCHASE AGREEMENT

A Hire Purchase Agreement made this 17th day of May, One thousand nine hundred and Eighty-Five. (1985.) Between TAT LEE FINANCE LTD.

a company incorporated in the Republic of Singapore and having its registered office at 6th Floor, TAT LEE BUILDING, 63 MARKET STREET, SINGAPORE 0104 (hereinafter called "the Owner" which expression shall where the context so admits include its successors in title and assigns) of the one part.

And MR. LEE HONG NGEE

of 19, Jalan Jintan, #04-19, Singapore 0922.

(hereinafter called "the Hirer") of the other part.

THE SCHEDULE HERETO REFERRED TO :

THE HIRER ACKNOWLEDGES THAT HIS SIGNATURE TO THIS AGREEMENT CONFIRMS THAT:-

- (1) He has seen stated in writing, otherwise than in this agreement, the cash price of the goods and that the cash price is the same as that shown in the schedule hereto.
- (2) That he has made no statement as to the purpose for which the goods are required and that the provisions of clause 19 hereof excluding warranties and conditions were brought to his notice and their effect explained to him.

INTEREST ON OVERDUE INSTALMENTS:

This will be charged at the rate of 18 per centum per annum simple interest calculated on a daily basis.

PERIOD OF HIRE AND DETAILS OF PAYMENTS

Period of hire 12 months

PARTICULARS OF GOODS:

Description Jaguar XJ6 4.2 Saloon

Cash Price of

(a) Goods.....\$ 32,000.00

(b) Accessories.....\$

(c) Insurance.....\$

Type of Body Saloon

TOTAL CASH PRICE \$ 32,000.00

New/Secondhand Second Hand

Engine No: SL.290528

LESS Initial Payment made up of:

Cash.....\$ 20,000.00

Chassis No: 2T.15327 B.V.

Value of Trade-in...\$ 20,000.00

Regn./Serial No: BE 3633 T

AMOUNT OF FINANCE \$ 12,000.00

Year of Manufacture: 1976

ADD Hire Charges @ 15 % p.a. \$ 1,800.00

Accessories

for 12 mths.

Balance of Hire.....\$ 13,800.00

HIRE PURCHASE PRICE (total of cash price & hire charges).....\$ 33,800.00

The Balance of Hire is payable by 12 monthly rentals of S\$ 1,150.00 and one final rental of S\$ - commencing 17th June 1985 and rentals thereafter on the 17th day of each succeeding month.

- (3) All sums payable to the Owner under this Agreement shall be paid to

(*Delete whichever is not applicable) { the ~~Owner, TAT LEE FINANCE LTD, 63 MARKET STREET, SINGAPORE 0104~~
the Owners' agents, namely M/S Prestige Motor Co.
at 143, Braddell Road, Singapore 1338.

THE Hirer hereby declares that the following information is true:-

Full Name: MR. LEE HONG NGEE

Address: 19, Jalan Jintan, #04-19, Singapore 0922.

Tel No: 2201730

I/C or Passport No: 0870374/D

Age: 40

Occupation: Manager

Name of Employer/Business M/S Western District Development Corporation

Office Address: 845, Orchard Road, #00-08, Far East Shopping Centre S(0923)

Tel No: 7320266

HP AGRT. NO. 116/85/17/0051

Whereby It Is Agreed as follows:

1. The Owner agrees to let and the Hirer agrees to hire the goods specified in the schedule hereto (hereinafter called "the goods" which expression shall also include any accessories replacements renewals or additions thereto) for the period stated in the schedule hereto on the following terms and conditions.
2. On signing the agreement the Hirer shall pay the Owner the amount of the initial payment (which shall become the property of the Owner absolutely) specified in the schedule hereto in consideration of the option to purchase herein contained and shall cause to be delivered up to the Owner where appropriate the necessary registration book or documents relating to the registration of the goods including a blank signed transfer in such form as may be appropriate to the goods and thereafter shall pay the rentals set out in the said schedule so long as the hiring shall continue, such payments to be made punctually to the Owner at the Owner's abovementioned address but should the Hirer make any payments to the Owner by post, they shall be at the risk of the Hirer and shall only be credited to the Hirer as and when received by the Owner..
3. The Hirer shall keep the goods in his own custody and control in good and substantial order and repair and shall be responsible for all risks including damage by fire (fair wear and tear alone excepted) and shall not remove the goods from the above address or other permitted address without the consent in writing of the Owner such consent not to be unreasonably withheld.
- 3A. The Hirer shall replace all missing damaged or broken parts with parts of equal quality and value and in default of so doing permit the Owner to take possession of the goods for the purpose of having repairs carried out and to repay to the Owner the full cost of such repairs. The Owner shall have a lien on the goods until such repayment but exercise of such lien shall not prevent the accrual of instalments of hire payments hereto.
4. The Hirer shall ensure that in so far as the goods are affixed to any land or building such goods shall be capable of being removed without material injury to the said land or building and that all such steps shall be taken as are necessary to prevent title to the goods from passing to the owner of the said land or building.
5. The Hirer shall not sell, assign, let or otherwise deal with the goods or any interest in them or in this agreement or the option to purchase herein contained or create any lien upon the goods for repair or part with the possession of the goods.
- 5A. The Hirer shall indemnify the Owner against loss of or damage to the goods or any part thereof from whatever cause arising and whether or not such loss or damage results from the negligence of the Hirer.
6. The Hirer shall permit the Owner and its duly authorised agents at all reasonable times to inspect the condition of the goods and for such purpose to enter upon the premises where the goods may be.
7. The Hirer shall forthwith in the name of the Hirer insure and shall keep insured during the continuance of the hiring with a registered insurer approved by the Owner the goods for their full value under an enforceable policy approved by the Owner against any loss or damage arising from any cause whatsoever and against all risks required to be insured against by law and such other risks as the Owner may from time to time require and shall punctually pay all premiums payable for effecting and keeping on foot such insurance and shall deliver to the Owner the policy or policies of such insurance and the receipts for all premiums. The Hirer shall ensure that any policy or policies of such insurance shall be endorsed with a memorandum of agreement in a form acceptable to the Owner and the insurers whereby the interest in the policy or policies shall be conveyed to the Owner insofar as the Owner may be affected by any claim thereunder. The Hirer shall not do or omit to do or permit or suffer to be done or omit to be done any act or thing which may invalidate any such insurance or may give to the insurers any right to repudiate liability and in particular but without derogating from the generality of the foregoing, if the said goods consist of a motor vehicle, the Hirer shall not use or suffer or permit the vehicle to be used by a learner driver or for the purpose of instruction unless the prior approval of the insurers has been signified by an endorsement in a form approved by the Owner. The Hirer shall keep the Owner indemnified against all claims arising out of any accident either to persons or property caused by the goods or the user thereof. If the Hirer fails to keep the goods insured or to pay any premium when due the Owner in addition and without prejudice to any of its rights hereunder shall be at liberty but without being under any obligation so to do to effect the insurance and to pay any premium thereon and the Hirer agrees that any expenses and charges incurred by the Owner thereby shall be added to the total amount payable under the agreement and until paid shall be subject to interest at the overdue instalment rate as specified in the schedule hereto. In the event of the goods being returned by the Hirer to the Owner or in the event of the Owner retaking possession of the goods under the terms of this agreement all moneys payable under any policy of insurance for loss of or damage to the goods shall be paid to the Owner whose receipt therefor shall be a sufficient discharge to the insurance company and credited by the Owner to the Hirer's account with the Owner in or towards satisfaction of the amount due to the Owner under this agreement and in the event of loss of or damage to the goods the Hirer shall when called upon by the Owner forthwith assign to the Owner all rights benefits and claims of the Hirer under any policy of insurance relating to such loss or damage PROVIDED ALWAYS that if the Hirer shall become the Owner by purchase of the goods during the currency of any such policy the Owner will upon payment by the Hirer of all the moneys due under this agreement cause the memorandum of agreement conveying the interest in the policy to the Owner endorsed on the policy to be cancelled AND PROVIDED FURTHER that if the sum recovered by the Owner under any insurance in this clause mentioned shall exceed the "Net Balance Due" to the Owner under this agreement then the amount of such excess shall be paid by the Owner to the Hirer.
8. The Owner shall be at liberty to place his name plates on the goods marking the same as his property and the Hirer shall not during the hiring alter, remove, erase, conceal, deface or otherwise interfere with the same or permit any person to do so and in case the said name plates or any of them shall be lost, damaged or removed the Hirer shall immediately restore such plates or plate.
9. The Hirer may (without prejudice to the Owner's right to determine the agreement) determine the hiring at any time by delivering up the goods to the Owner at the Owner's registered address herein given or at such other address as the Owner shall specify, but in such case the Hirer shall remain liable for any arrears of rentals and for any damage to the goods.
10. If the Hirer shall not duly pay to the Owner any of the sums herein provided to be paid or shall fail to perform or observe any other of the terms or conditions herein contained or if the Hirer shall commit any breach of this agreement, or commit any act of bankruptcy, or if a receiving order in bankruptcy be made against the Hirer, or if the Hirer (being a limited company) enter into any compulsory liquidation or any voluntary liquidation (not being a voluntary liquidation only for the purpose of reconstruction) or if a distress be levied or threatened upon the goods or upon the premises where the goods may be, or if the goods be seized or taken in execution or if the Hirer permits any judgement to remain unsatisfied, then in each and every such event the Owner shall be entitled to immediate possession of the goods and may:-

- (a) without prejudice to the Owner's claim for arrears of rentals or for damages for breach of this agreement (if any) it shall without notice terminate the hiring and retake possession of the goods; and/or
 - (b) by written notice either served personally on the Hirer or sent (by post or otherwise) to the Hirer or to the Hirer's last known address forthwith and for all purposes absolutely determine this agreement and the hiring hereby constituted and thereafter the Hirer shall cease to be in possession of the goods with the Owner's consent and neither party shall thereafter have any rights under this agreement save as hereinafter provided in clauses 12 and 13 and save that such determination shall not discharge any pre-existing liability of the Hirer to the Owner.
11. If the Hirer (having meanwhile duly kept and observed all the terms and conditions of this agreement) shall pay such sum as with the sums already paid for the option to purchase and as rental shall amount in the aggregate to the hire-purchase price, this agreement shall determine and the Hirer shall become the absolute owner of the goods, but until such time the goods shall remain the sole property of the Owner and the Hirer as a mere bailee thereof.
 12. In the event of the hiring being determined by the Hirer or by the Owner under clauses 9 and 10 hereof the Hirer shall forthwith return the goods to the Owner at the Hirer's expense and the Owner, his servants or agents, shall be entitled without any notice to enter upon any premises where the goods may be at all reasonable time and seize and take possession thereof. And the determination of the hiring as aforesaid shall not affect or prejudice any claim the Owner may have against the Hirer for arrears of rentals or for damages for breach of this agreement or the Owner's rights to enforce such claim by action or otherwise.
 13. If the hiring be determined by the Hirer under clause 9 hereof or if the Owner terminates the hiring or repossesses the goods under clause 10 hereof the Hirer shall pay to the Owner the hire-purchase price of the goods plus interest on overdue instalments and other sums payable by the Hirer (if any) under this agreement less the aggregate of
 - (1) the sums previously paid under the agreement;
 - (2) the net proceeds of sale of the goods if repossessed and sold or if not sold their value as determined by a dealer appointed by the Owner; and
 - (3) a discount for the acceleration of payment computed according to the "rule of 78" method.For the purposes of this clause "the net proceeds of sale" shall mean the proceeds of sale after deducting the cost and expenses of repossession storage insurance and sale.
If the net proceeds of sale of the goods repossessed and the amount paid by the Hirer pursuant to this agreement exceed in the aggregate the amount of the hire-purchase price (with interest on overdue instalments and other sums payable by the Hirer under this agreement) the excess shall be repaid to the Hirer.
 14. No neglect, delay or indulgence on the part of the Owner in enforcing any term or condition of this agreement and no consideration for or forbearance or granting of time to the Hirer by the Owner shall be or be deemed to be a waiver of any breach by the Hirer of any term of this agreement, or prejudice the strict rights of the Owner hereunder.
 15. The Hirer shall obtain all necessary licenses (if any) for the goods and all licences (if any) necessary to enable the Hirer to maintain possession of the goods and when necessary renew all such licences and pay all duties fines taxes registration and other charges in respect of the goods or such licences which shall become payable during the period of the hiring and if any such payments shall be made by the Owner (which the Owner may at its absolute discretion do) will repay the same to the Owner on demand and until paid shall be subject to interest at the overdue instalment rate as specified in the schedule hereto.
 16. This agreement shall not be binding upon the Owner until the agreement has been accepted and signed by or on behalf of the Owner.
 17. IN default of payment of any rental within seven days after payment shall have become due and whether payment shall have been demanded or not the Hirer shall pay interest at the overdue instalment rate as specified in the schedule hereto from the due date until payment is made without prejudice to any other rights of the Owner hereunder.
 - 17A. A certificate or statement signed by an authorised officer of the Owner stating the amount due from the Hirer under this Agreement shall be prima facie evidence that the amount so certified or stated was in fact due from the Hirer at the date of such certificate or statement.
 18. ANY cost or expense to which the Owner may be put or which the Owner may incur in or about ascertaining the whereabouts of the goods or the recovery of possession thereof from the Hirer or any other person including legal costs on a full indemnity basis as between Solicitor and own Client as well as Party and Party costs shall be payable by the Hirer to the Owner on demand.
 19. No warranty whatsoever is given by the Owner as to the age state or quality of the goods or as to merchantable quality or suitability or fitness for any purpose and any implied warranties and conditions whether arising under this Agreement or under prior agreement or in oral or written statements made by or on behalf of any person in the course of negotiations in which the Hirer or his representative may have been concerned prior to this agreement are also hereby expressly excluded.
 - 19A. The Owner shall not incur any liability to the Hirer nor shall the Hirer be entitled to rescind this Agreement if the goods delivered by the Owner to the Hirer do not correspond to their description as contained in this agreement.
 - 19B. No liability shall attach to the Owner either in contract or in tort for loss injury or damage sustained by reason of any defect in the goods whether such defect be latent or apparent on examination and the Owner shall not be liable to indemnify the Hirer in respect of any claims made against the Hirer by a third party for any such loss injury or damage.
 - 19C. The Owner shall be entitled to assign the benefit of this Agreement or any right or rights of the Owner hereunder including the licence conferred on the Owner to enter upon premises and inspect and/or repossess the goods and any assignment of the benefit of this Agreement by the Owner shall be deemed to include an assignment of the Owner's rights to enter premises and to repossess the goods.
 - 19D. Any notice required or permitted to be given to the Hirer under this Agreement shall be deemed to have been sufficiently served if served on the Hirer personally or sent to him by registered post or left at the address of the Hirer stated in this Agreement or at the Hirer's existing or last known address.
 20. WHERE the expression "the Hirer" used herein comprises two or more persons then each and every such person shall be severally as well as jointly liable to the Owner for the due performance and observance of all provisions terms and conditions of this agreement and every part thereof.
 21. IN this agreement words importing the singular number and the masculine gender include the plural number and the feminine gender respectively where the context so requires and words importing persons import also corporations.

This agreement shall be construed and take effect according to the laws of the Republic of Singapore and each party hereto submits to the jurisdiction of the Court of Singapore.

SCHEDULE 5

OF these presents have been duly executed as follows the day a ear first above written.

Signed by the Owner

For and on behalf of
TAT LEE FINANCE LIMITED.,

Authorised Officer

Signed by the Hirer MR. LEE HONG NGEE

10, Jalan Jintan, #04-19, S'pore 0923.

In the presence of:

NAME OF WITNESS:

I/C NO:

PRESTIGE MOTOR CO.

DELIVERY RECEIPT

to TAT LEE FINANCE LTD.,

I/We hereby acknowledge having examined and taken delivery of the goods described in the schedule to the within written hire purchase agreement between us, and am/are satisfied as to their condition and their fitness for the purpose or purposes required.

SIGNATURE OF HIRER(S)

GUARANTEE

IN CONSIDERATION OF TAT LEE FINANCE LTD., having at my/our request agreed to enter into the Hire Purchase Agreement hereinbefore set out I/We the UNDERSIGNED (and if more than one jointly and severally) HEREBY GUARANTEE upon demand being made to me/us in writing the due payment to the Owner of all sums of money as shall from time to time or at any time hereafter become due and payable by the Hirer under the terms of the Hire Purchase Agreement or of any variation or extension thereof and also compliance with all other terms and conditions express or implied in the said Agreement on the part of the Hirer to be observed and performed AND ALSO HEREBY INDEMNIFY the Owner and agree to keep the Owner indemnified from and against all loss damage costs and expenses suffered or incurred by the Owner by reason of any breach or non-performance by the Hirer of any such terms and conditions on the part of the Hirer to be observed and performed and all actions claims and demands which may be instituted or made against the Owner or in any way connected with or arising out of or incidental to the said Agreement. This Guarantee shall be a continuing one and the Owner shall not be bound at any time to exercise any of its rights under the said Agreement and any omission by the Owner so to do shall not affect or discharge the Guarantee hereunder. The granting of time concession or indulgence to or compounding or the waiver of any breach or default of the Hirer or any variation or modification of the obligations of the Hirer under the said Agreement shall not avoid or release or discharge this Guarantee PROVIDED HOWEVER that no variation shall make me/us liable for a greater maximum sum under this Guarantee than I/We am/are liable for as the said Agreement now stands and I/We AGREE as between me/us and the Owner I/We shall be deemed to be the principal debtor and I/We waive all suretyship and other rights inconsistent with this clause.

AND IT IS ALSO AGREED that upon payment by me/us to the Owner of all sums due by the Hirer to the Owner under the said Agreement I/We shall be entitled to require the Owner to execute an assignment of the said Agreement and/or the hire-purchase debt at my/our expense and such assignment shall entitle me/us to exercise the licence to seize the goods conferred on the Owner by the said Agreement.

AND IT IS FURTHER AGREED that any payment made to the Owner and later avoided by any statutory provision shall be deemed not to have discharged my/our liability hereunder in respect to such payment and in such event the parties hereto shall be restored to the rights which each respectively would have had if such payment had not been made.

AND FINALLY I/We AGREE that a certificate signed by an authorised officer of the Owner stating the amount owing hereunder shall be prima facie evidence of that fact.

DATED THIS 17th DAY OF May 1985.

SIGNATURE
OF GUARANTOR

Witness to Guarantor's Signature

(Other than husband or wife of Guarantor)

Full Name of Guarantor MR. KEN ROBERT

(In Block Letters)

Name Miss. Ieng Lee Fong

I/C No. 1587692/A

Address C/o 143, Braddell Road, S(1333).

I/C No. 0382447/J

Address Blk 34, Lorong 5, Ton Payoh, #02-301, Singapore 1231.

REPAIR CASH SALE**Malayan Motors (Private) Limited**

45 Leng Kee Road, Singapore 0315. Telephone 637755; Telex: "Wernco" RS 36234; Cable: Malaymotor
Postal Address: P.O. Box 74, Alexandra Road Post Office, Singapore 9115.

Mr Hardy Lee
c/o Moic Investment Pte Ltd
50 Raffles Place
12-05 Shell Towers
Singapore 0104

No 02379

2nd August 19 85

71946 KMS/MES

6/7/85 MAKE & MODEL JAGUAR XJ 4.2 REG. NO. EE 3633 T JOB NO. 04567

(7)

Labour

Remove necessary engine fittings, crane out engine from chassis, remove and renew engine sump gaskets, oilseals, oil filler housing, gasket, by-pass hose, oil cooler assy., hoses, renew power steering pump, crankshaft pulley, crankshaft spacer, refit all parts, remove and overhaul auto transmission gearbox, renew necessary parts, clean valve block, adjust brake bands and refit all parts, renew engine mountings, reassemble engine to chassis and engine necessary fittings, renew speedometer cable, remove and overhaul power strg. rack assy., renew necessary parts, refit same, adjust front wheel alignment, recore radiator tank, renew radiator top and bottom hoses, by-pass hose, all beltings and refit all parts, top up water coolant, remove and renew both front sub-frame rear mountings, refit same, carry out 70,000 kms. service, change oil, renew necessary parts, remove and renew brake master pump assy., one-way valve, hose, valve cover gasket, seals, breather cover, cap and rear axle cover gasket, refit all parts, bleed brake system, start engine and road test. Recore radiator tank assembly, pressure test and complete respray.
Remove rear luggage boot bottom tray, check and rectify water leak, refit.
Refit RH front door chrome beading.
Remove air-con compressor, condenser and necessary parts for fitter, refit, vacuum and recharge system with freon gas.

\$ 1,750 00

560 00

30 00

25 00

105 00

\$ 2,470 00 ✓

N.B. Complaints respecting this work and/or charges will not be considered unless they be lodged with us before TWO weeks from above date.

If you write to us, please quote both Invoice No. and Job No.

All automobiles, vehicles and other goods sent to us for repairs, storage &c., are held ONLY at Owner's risk and we accept no responsibility for loss or damage to same arising from fire or any unforeseen cause. The Company only supply a driver for testing a vehicle or for any other purpose upon the terms that he is for the time being the servant of the Customer and not of the Company, and the Company are not liable for any accident occurring or damage done to or by the car whilst in charge of such car.

E. & O. E.

87-02-06 - 110% No. (1)

REPAIRS INVOICE

Cut keys and including parking fees.
Wax complete car for/shipment.

\$ 2,470.00 ^x

19.00
160.00

Material

2 pcs.	Interior bulb	(Nett)	1.60
1 tin	Brake fluid	"	8.00
1 bot.	Prestone Super Coolant	"	30.00
10 lits.	S.M.O. Plus	"	47.00
7 lits.	Shell Donax TF	"	35.00
2 lits.	Spirax 140	"	8.80
1 pc.	Steering pump assy.	"	650.00
1 tube	Three-bond Liquid gasket	"	10.00
6 pcs.	Spark plugs	"	12.00
1 pc.	Bottom hose-LH	\$ 17.10	
1 pc.	By-pass hose	5.55	
1 pc.	Oil cooler assy.	90.55	
1 pc.	Filler cap-pressure	13.10	
1 pc.	Filler cap-non pressure	10.70	
2 pcs.	Oil cooler hoses	34.60	
2 pcs.	Expansion hoses	16.40	
2 pcs.	Timing breather gaskets	1.70	
1 pc.	Distance piece-c/shaft	26.75	
1 pc.	'O' ring	0.70	
1 pc.	Oil filter hose	2.45	
		219.60	

Less 20%

43.92 ^f

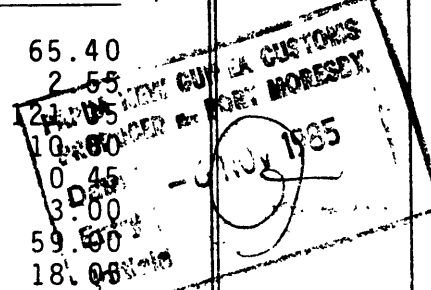
175.68

2 pcs.	Engine mountings	65.40
1 set	Contact points	2.55
1 pc.	Crankshaft pulley	12.00
1 pc.	Condenser	10.00
3 pcs.	Spring washers	0.45
6 pcs.	Copper-washer oil pipe	3.00
1 pc.	Pipe assy.-a/delivery	59.00
1 pc.	Cap-timing breather	18.00
		280.60

Less 20%

56.12 ^f

224.48

\$ 3,351.56 [/]

REPAIRS INVOICE

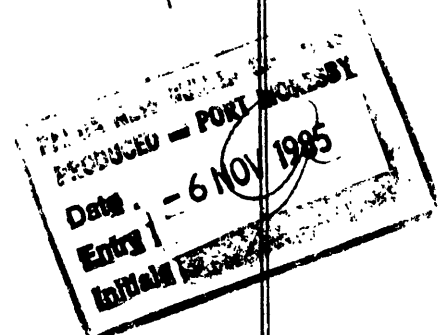
			\$ 3,851.56	
1 pc.	Oil filter	\$ 40.50		
1 pc.	Air filter	21.15		
1 pc.	Fuel filter	37.95		
1 pc.	Alternator belt	9.55		
1 pc.	Air-con belt	11.45		
1 pc.	Power steering belt	12.85		
2 pcs.	Valve cover gaskets	14.10		
2 pcs.	Valve cover seals	6.90		
1 pc.	Bottom gasket set	41.30		
1 pc.	Radiator top hose	14.05		
1 pc.	Bottom hose-RH	20.20		
		<u>230.00</u>		
	Less 20%	46.00	+	184.00
1 pc.	Adaptor-breather	2.65		
1 pc.	LP steering hose	48.20		
1 pc.	Control valve gasker	2.25		
1 set	Steering seal kit	104.75		
2 pcs.	Tie rod ends	123.90		
2 pcs.	Lock washers	3.10		
2 pcs.	Mounting pads	8.70		
3 pcs.	Mounting bushes	92.10		
1 pc.	Mounting bracket	17.50		
1 pc.	Strg. pump pulley	56.95		
		<u>460.10</u>		
	Less 20%	92.02	+	368.08
1 set	Gearbox gasket kit	15.85		
1 pc.	Mounting-gearbox	19.05		
1 pc. (set)	Front clutch kit	154.20		
1 set	Rear clutch kit	125.70		
1 set	Front brake bands	42.25		
1 set	Rear brake bands	52.55		
1 pc.	Planet gear	50.20		
1 pc.	One-way clutch	84.00		
1 pc. (set)	Oil seal kit	45.00		
1 set	Thrust washer kit	47.60		
1 set	'O' ring kit	35.00		
1 pc.	Oil strainer	16.00		
		<u>1,137.65</u>		
	Less 20%	227.53	+	910.12
				\$ 5,313.76

REPAIRS INVOICE

			\$ 5,313.76
2 pcs.	Vee mountings	\$ 126.10	
1 pc.	Hose-expansion tank	8.20	
		<u>134.30</u>	
	Less 20%	26.86 +	107.44
1 pc.	Res. brake hose	21.45	
1 pc.	Brake pump assy.	266.45	
1 pc.	Air cleaner hose	7.00	
1 pc.	Speedo cable	29.50	
1 pc.	Brake servo hose	9.70	
1 pc.	Non-return valve-brake	53.90	
		<u>388.00</u>	
	Less 20%	77.60 +	310.40
			<u>\$ 5,731.60</u>
			=====

DOLLARS FIVE THOUSAND AND SEVEN HUNDRED AND THIRTY
ONE AND CENTS SIXTY ONLY.

PAID
27/8/85



COPY OF REPAIR INVOICE



Malayan Motors (Private) Limited

45 Leng Kee Road, Singapore 0315. Telephone 637755; Telex: "Wernco" RS 36234; Cable: Malaymotor
Postal Address: P.O. Box 74, Alexandra Road Post Office, Singapore 9115.

Cash

2/8/85 19.....

KMS/MLS

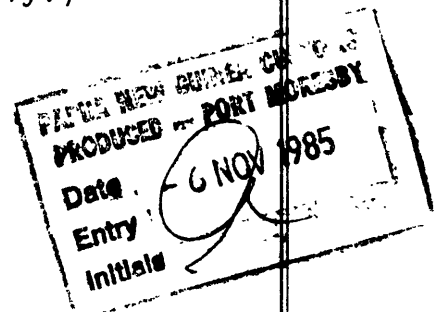
MAKE & MODEL JAGUAR 4.2 REG. NO. EE 3633 T JOB NO.

Supply and fit one set hub caps.

\$ 350.00
=====

(Dollars Three Hundred and Fifty Only.)

PAID
27/8/85



N.B. Complaints respecting this work and/or charges should be lodged with us before TWO weeks from above date.

If you write to us, please quote both invoice and job number.

ed unless they be lodged with us

ONLY

SCHEDULE 06

PAYMENT VOUCHER


Date, 21-8-85

No. 216433
PAY TO Malayan Motors (Pte) Ltd

DATE	DESCRIPTION	AMOUNT
	Being payment of Invoice No. EE 3633T	5,731.60
	Supply and fit one set hub caps for	350.00
	veh. No. EE 3633T (Jaquer)	\$6,081.60
		\$6,081.60

A/c MHT 037800

Payment approved: 

Received:  21-8-85

285

PR 319

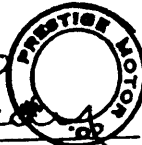
PAYMENTS VOUCHER

Voucher No: _____

Pay to: Prestige Motors Co. Date 29-August 85

Account	Particulars	Amount
	<u>Vehicle Maintenance.</u>	<u>\$ 11,457 80</u>
<u>a/c 50</u>	<u>(Purchase of Jaguar for</u>	
	<u>Minister for ASG).</u>	
	<u>Preliminary Cost 5,208.09</u>	
		<u>\$ 11,457 80</u>

Cheque: <u>MH7</u>
No: <u>037822</u>
Amount:
Cash:



Received by

Approved by

SCHEDULE 08



新光行船務運輸(私人)有限公司
SING KWANG HANG SHIPPING & TRANSPORTATION (PTE) LTD.

151, CHIN SWEE ROAD, #07-02/10
MANHATTAN HOUSE, SINGAPORE, 0318.

TEL: 7338411 (8 LINES) & 7337400
CABLE ADD: "FORWARDERS"
TELEX: SKHST RS 20419.

286

A/C M.O.I.C.
C/O HARDY LEE
50 RAFFLES PLACE
12-05 SHELL TOWER

BILL NO: 61202

A/C NO: 108043

DATE: 31.08.85

VESSEL: SUN FLORES
ORIGIN REC. NO:
CONSIGNEE'S NAME & ADDRESS: EE 3633T
TOTAL TONNAGE:
DESCRIPTION OF GOODS: 1 UNIT JAGUAR

FROM: SPORE
B/L NO:

TO: NEW GUINEA
OUR REF: C23

CODE	PARTICULARS	AMOUNT
1	HANDLING CHARGES	\$ 5,060.00
	TOTAL	\$ 5,060.00
A RECEIPT MUST BE OBTAINED WHEN PAYMENT IS MADE BY CASH ALL CHEQUES PAYABLE SHOULD BE MADE TO THE ORDER OF SING KWANG HANG SHIPPING & TRANSPORTATION PTE LTD AND CROSSED A/C PAYEE ONLY		

E. & O. E.

SCHEDULE 09



新光行船務運輸(私人)有限公司

SING KWANG HANG SHIPPING & TRANSPORTATION (PTE) LTD.
151, CHIN SWEE ROAD, #07-02 to 07-10, MANHATTAN HOUSE,
SINGAPORE 0316. TEL. 7386411 (8 LINES) CABLE: "FORWARDERS"

2.85

臨時收條
TEMPORARY RECEIPT

C No. 4615

Date, 3/9/85.

茲收到
RECEIVED With thanks from
匯來大銀
the sum of Dollars

M. C. I. C. Investment P/L.

Two thousand five hundred sixty only

\$2560/-

對 匯
in payment of 61202. (Balance)

現款 / 支票
Cash / Cheque No.

M. H. T. C.

037835

Collected by 經手人

Official Receipt will follow after cheque's clearance.

正式收條在匯來支票銀行通賬之後發出。

Preliminary Cost

1163.63

SCHEDULE 10



250, North Bridge Road,
#39-00, Raffles City Tower,
Singapore 0617.
Tel: (65) 33711111
Telex: RS 55671 ANGL
Fax: 3387333

Angus

MOIC INVESTMENT PTE. LTD.

No. 50, Raffles Place, #12-05, Shell Tower, Singapore 0104. Tel: 3359300 Telex: RS 55671 MOICSG

1.03.86

Angus (PNG) Pty Ltd
Suite 502, Pacific View
PO Box 2755
Port Moresby, Papua New Guinea

Exhibit Note: 66/86

date	Particulars	Amount S\$
7.07.85	Entertained PNG's VIP - PV 24/7	397.85 ✓
7.08.85	Entertained PNG's VIP - PV 71/8	2,000.00 ✓
1.10.85	Entertained PNG's VIP - Oct PV064	732.55 ✓
1.10.85	Entertained PNG's VIP - Oct PV095	1,000.00 ✓
5.11.85	Entertained PNG's VIP - Nov PV017	500.00 ✓
2.11.85	Entertained PNG's VIP - Nov PV002	600.00 ✓
9.08.85	Purchase of Jaquar for PNG - PV 3/9	11,457.80 ✓
1.08.85	Purchase of Camera for PNG's VIP - PV 6/9	1,255.00 ✓
3.09.85	Freight & handling charges for shipment of Jaquar to PNG - PV 15/9	2,560.00 ✓
3.09.85	Gift for PNG's VIP - PV 64/9	850.00 ✓
1.07.85	M Ghazali's travelling expenses to PNG - PV 69/7	7,000.00 ✓
3.07.85	Tan Sri's travelling expenses to PNG - PV 39/7	3,140.00 ✓
3.07.85	Azmi's travelling expenses to PNG - PV 19/7	8,569.05 ✓
1.06.85	Payment for reimbursement of expenses for travelling to PNG - Columbus DN03	3,000.00 ✓
2.10.85	FC Cheah's travelling expenses-Global inv:40075	8,643.85 ✓
1.11.85	FC Cheah's travelling expenses-Global inv 41635	3,906.05 ✓
		50,612.15 ✓
		=====

Amount in Singapore dollars: Fifty thousand six hundred and twelve cents fifteen only.

3

SCHEDULE 11

MOIC ME23341

01919 SEP 13 1985 101

GOOD MORNING

GA

8755671+

MOICSG R855671

MOIC 8655671

ATT. MR. M. A. ANG

PROPOSED TRAVELLING PLAN FOR H.C.N.T.D.

FRI 20-9 POM - BNE GF96 1515-1805 747

SAT 21-9 BNE - VLI AN580 1045-1430 738

MON 23-9 VLI - HIR 1E898 0700-1100 EMB

HIR - POM PX081 1425-1650 F28

PLEASE CONFIRM ASAP.

ATT. MR. R.SIM

FUNDS RCVD N MANY THANKS.

PLEASE STATUS OF JAGUAR. ADVICE.

REGARDS

JOHN K.

MOICSG R85500000

TIME 001.5 MINS

EX 68(31)

3

12

SCHEDULE 11

SEP 13 1985 1630

MOIC NE23341

MOICSG RS55671

ICZCMOIC REF SEP 084

TO MOIC PNG

ATTN JOHN K

FM MOIC BP

STATUS OF JAGUAR

1) SHIPPED ONA' SUN FLORES 05'

2) SHIPPED TO : M/S MOIC

NO 302 PARKVIEW APARTMENT

PORT MORESBY, PAPUA NEW GUINEA

3) SHIP SAILED ON BOXOXIT

RGDS

RONNIE SIMVVVV

EX 68(31)

93





SCHEDULE 12

MOIC NE23341

03615 OCT 23 1985 0929

GOOD MORNING

B 214

GA

8755671+

MOIC86 RS556710

MOIC86 RS55671

23.10.85A

ATTN. MR. R. SIM

AA. PLEASE EXECUTE THE SALES AGREEMENT BETWEEN MR. LEE HONG NGEE
N MOIC INV'BT FOR SALE OF JAGUAR XJ6 REG.NO.EE3633T, ENGINE
NO.8L.29052S., CHASSIS NO.2T15627BW., FOR THE SUM OF S\$17,500.00
DATED THE 3.6.1985., N PLEASE FAX THIS COPY TO ME IN POM AT
217091 FOR MY ATTN.

BB. MY PERSONAL PARTICULARS:-

CHEAH FOONG CHIN., I/C 4005067., PASSPORT NO.A2509714 ISSUED
ON 14.7.85., NO.48, JALAN TIGA, TAMAN SEPUTEH, K.L.,
DATE OF BIRTH:26.6.37., HOUSE TEL.03.2744625.

RGDS.

F.C.CHEAH.

MOIC NE2334100000

TIME 002.3 MINS

EX68(69)

14

Alm EX68(31)15)

MOIC NE23341

03615 OCT 23 1985 0929

GOOD MORNING

B 214

GA

8755671+

MOICSG RS556710

MOICSG RS55671

23.10.85A

ATTN. MR.R.SIM

AA. PLEASE EXECUTE THE SALES AGREEMENT BETWEEN MR.LEE HONG NGEEN MOIC INV'ST FOR SALE OF JAGUAR XJ6 REG.NO.EE3633T, ENGINE NO.8L.29052S., CHASSIS NO.2T15627BW., FOR THE SUM OF S\$17,500.00 DATED THE 3.6.1985., N PLEASE FAX THIS COPY TO ME IN POM AT 217091 FOR MY ATTN.

BB. MY PERSONAL PARTICULARS:-

CHEAH FOONG CHIN., I/C 4005067., PASSPORT NO.A2509714 ISSUED ON 14.7.85., NO.48, JALAN TIGA, TAMAN SEPUTEK, K.L.,
DATE OF BIRTH:26.6.37., HOUSE TEL.03.2744625.

RGDS.

F.C.CHEAH.

EX68(69)

MOIC NE2334100000

TIME 002.3 MINS

14
Alm EX68(31)15)

SHIP : SUN FLORES VS
OWNER : MOIL INVESTMENT

FROM : SING / SING
PER : H60ASH

REPORTED DATE 15/9/

B/L NO: MOR-S14

E/R: 2.245

SCHEDULE 13A

MARKS & NOS	NO OF PKGES	DESCRIPTION OF GOODS	TARIFF ITEM	COUNTRY OF ORIGIN	UNIT OF QTY	QTY	CIF VALUE	VALUE FOR DUTY	RATE OF DUTY	
MOIL /	1	UNIT USED CAR WITH SPARE								
POMI		TYRES - BEING :-								
		JAGUAR SEDAN USED CAR								
		ENGINE CAPACITY 4235	87.02.06	SING	NO	1		10,481 78	110%	11,529
		SPARE WHEEL WITH TYRE								
		COMPLETE	87.06.00	SING				150 00	15%	22
		ENGINE NO SL:29052S								
		CHASSIS NO: 2T15627BW								
		GENERAL IMPORT LEVY K 10,631.78	00.03.07	UNKN					4%	1425
	1						INSURANCE: FREIGHT : OTHER CHARGES :	10,631 78		TOTAL AMOUNT PAYABLE 11,975 7
							TOTAL CIF VALUE			TOTAL VALUE

EX 99

PAPUA NEW GUINEA CUSTOMS
ENTRY FOR HOME CONSUMPTION

(TO BE REMOVED FORTHWITH)

Form 18 (Revised 1 Jan 82)
Reg. 32

PORT MORESBY		1 SHIP 2 AIRCRAFT 3 OTHER (3)		SUN FLORES V5	ARRIVED (DATE) 15/9/85	STATION MAIN WHARF	FROM SINGAPORE	
BURNS PHILP (P.N.G.) LTD MOIC INVESTMENT					PER H. GOASA	AGENT		NUMBER(S)
MARKS AND NUMBERS	No. OF PKGS	DESCRIPTION OF PACKAGES AND GOODS	TARIFF ITEM	COUNTRY OF ORIGIN	UNIT OF QUANTITY	QUANTITY	C.I.F. VALUE K	VALUE FOR DUTY K
	1	UNIT USED CAR WITH SPARE TYRES BEING JAGUAR SEDAN USED CAR ENGINE CAPACITY 4235 SPARE WHEEL WITH TYRE COMPLETE ENGINE NO: SL: 290525 CHASSIS NO: 2T15627BW GENERAL IMPORT LEVY K10,631.78	87.02.06 40.11.09 87.06.06	SING SING	NO	1		10,481 78 150 00
			00.03.02	UNKN				
NUMBER AGES	1	NOTE - ENTRIES TO BE PREPARED WITH DOUBLE SPACING BETWEEN LINES.				INSURANCE FREIGHT OTHER CHARGES		10,631 78

DECLARATION: As to the goods mentioned in this entry and herein entered, I declare -
I am the Agent duly authorised by BURNS PHILP (P.N.G.) LTD MOIC INVESTMENT the owner of the goods
to the best of my knowledge and belief the description and particulars of the goods as stated in this entry are true and correct in every respect.
to the best of my knowledge and belief no goods are contained in any package specified in this entry other than as appears in the entry
nothing on my part or to my knowledge on the part of any person has been done, concealed or suppressed whereby the Government may be defrauded of duty due
enter the goods as of the value for duty and of the description and quantities stated in this entry, and for home consumption
the goods mentioned in this entry which are subject to *ad valorem* duties, I further declare
that to the best of my knowledge and belief the value for duty of the goods as stated in this entry is correct and represents the value for duty of the goods calculated according to the provisions of Section 140 of the Customs Act 1951, as amended to date.
that to the best of my knowledge and belief the invoice now produced is the genuine invoice as defined by Section 141 of the Customs Act 1951, as amended to date, and is the only invoice of the goods received or expected to be received by me or to my knowledge by any person.
when right entry made and Collector satisfied genuine invoice cannot be produced.

DECLARED BEFORE ME THIS

[Signature]

SCHEDULE 14



MOIC INVESTMENT PTE. LTD.

50 Raffles Place #12-06
Singapore 0104 Tel: 2259200 Telex: RS 55671 MOIC SG

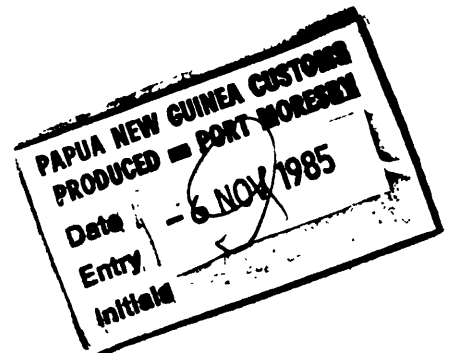
3 June 1985

SALES AGREEMENT

MOIC Investment Pte Ltd, agreed to purchase and Mr Lee Hong Ngee agreed to sell the vehicle,

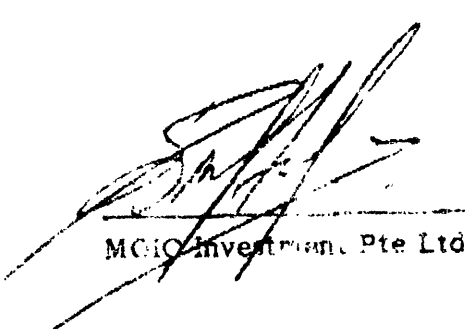
Jaguar x J8, Reg No: EE 3633 T
Engine No: SL 29000 S
Chassis No: 2T15627BW

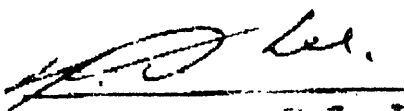
The agreed sale price: S\$ 17,500 ✕



Purchaser

Seller


MOIC Investment Pte Ltd


Lee Hong Ngee 0870374-D
I/C No:

MOIC Investment Pte Ltd
50 Raffles Place #12-06
Shell Tower
Singapore 0104
Tel: 2259200

Motor Traffic Act 1950-1967

REGISTRATION CERTIFICATE

G 62794

CITIZEN/NON-CITIZEN

Receipt Reference No. 44040 MOTOR

This is to certify that—

*CAR
LORRY
TRACTOR
CYCLENo. P 717 648
NGWhereof Angus (PNC) Ltd of Box 2755 BKO is owner.

Described as follows:

Type Saloon Make Jaguar Mfr's H.P. 11235003
Colour Blue Engine No. 8L 29055 Chassis No. 2T 15627BWWeight (to nearest half-cwt.) — Country of Origin JapanTyres —is registered for use within Papua New Guinea for one year from the 24th day ofOctober 1975KoroKoroJohnson for D. Tristram
Central
Superintendent

Province

Notify at once if vehicle disposed of.

Issued subject to the Motor Traffic Act 1950-1967 and any amendments thereof and the Regulations for the time being in force thereunder. If not suspended or cancelled, must be returned on date of expiry to the Superintendent of Motor Traffic.

*Strike out whichever is inapplicable.

ANGUSPNG NE23341

08174 NOV 29 1985 1323

GOOD AFTERNOON

SCHEDULE 16

B 212

GA

8755671+

ANGUSG RS55671

ANGUSPNG NE23341

29 NOVEMBER 1985

TO: RONNIE SIM/ANGUS SNG

FROM: JOHN K./ANGUS PNG

AA) PLEASE BE ADVISED THAT THE FOLLOWING FINANCIAL COMMITMENTS HAVE NOT BEEN ALLOWED FOR IN THE OPERATIONAL BUDGET FOR DECEMBER 1985.

DATE OF COMMITMENT	PARTICULAR	AMOUNT
6.12.85	10% DEPOSIT ON MAMAI ESTATES	K23,500.00
11.12.85	CUSTOMS DUTY ON JAGUAR	K11,977.50
	TOTAL:	K35,477.50

WOULD APPRECIATE YOUR ATTENTION.

BB) OUR FAX WILL BE OPERATIONAL BY NEXT WEEK AND MONTHLY REPORT SUMMARIES WILL BE FAXED.

REGARDS

JOHN K.

EX68(69)

30

ANGUSPNG NE2334100000

TIME 002.8 MINS

SCHEDULE 16

ANGUSPNG NE23341

10197 DEC 04 1985 1228

GOOD AFTERNOON

B 274

GA

8755671+

ANGUSG RS55671

4/12/85 A

TO: RONNIE SIM / ANGUS INV. PTE LTD .

FRM: JOHN K / ANGUS (PNG) PTY LTD .

PLEASE ADVISE FUNDS STATUS OF OUR REQUESTS AS PER TELEX 29/11/85.
FOR FOLOWING :-

AA) DOWNPAYMENT FOR MAMAI ESTATES - K23,500.00 FOR 6/12/85

BB) CUSTOMS DUTY FOR JAGUAR - K11,977.50 FOR 11/12/85

TOTAL K35,477.50 ABOVE THE BUDGETED DECEMBER OPERATIONAL FUNDS .

YR KIND ATTENTION APPRECIATED .

REGARDS

JOHN K. / ANGUS (PNG)

ANGUSPNG

ANGV00000

TIME 001.5 MINS

EX68 (69)

JK.

32

also EX68(31) 28

SCHEDULE 16

B 215

DEC 06 1985 1209

0

ANGUSPNG NE23341

ZCZC REF: DEC/082

6/12/85

TO : ANGUS (PNG)

ATTN : FC CHEAH/JOHN K

- 1 FUNDS FOR DEC, 10% DEPOSIT N CUSTOMS DUTY WLL HV TO BE DELAYED
TILL MOHD ANG RTNS IE 12/12/85. U HV TO MAKE DO WTH WHAT U HV.
- 2 WLL APPREC U FURNISH ME WTH OCT/NOV EXPENSE REPORT.
- 3 PLS UPDATE US AS TO WHEN ANGUS (PNG) PTY LTD STARTS OPERATION.
IMPT FOR US TO KNOW WHAT TO TREAT PREVIOUS EXPENSES IN PNG IE
SEPT, OCT N NOV EXPENSES TO BE IN PNG OR S'PORE.

RGDS

R SIMO

ANGUSPNG NE23341

ANGUSG RS55671

VVVV

JK. Dr
EX68 (53)
29



Australia and New Zealand Banking Group (PNG) Limited

HUBERT MURRAY HIGHWAY BOROKO PNG



5/11 1987

Pay Department of Finance.

The sum of Eleven thousand five hundred Kina only **K** 11500-
or bearer

TAURAMA SUPERMARKET PTY LTD
P.O. BOX 3130
PORT MORESBY

⑈ 277905 ⑈ 018 ⑈ 9081 ⑈

27 61767600

PAPUA NEW GUINEA BANKING CORPORATION

BOROKO PNG 8-201

413786

9-11-1987

Pay

Customs

or bearer

the
sum of

Four Hundred & Seventy - seven - Nine - seventy two K 477.72
to

TAMWORTH NO. 35 P/L (POM)
FUJI INTERIORS



C. Robinson

Alvaro

6211492