

JUDGMENT SUMMARY

Neutral Citation	[2025] ADGMCFI 0021
Case Number	ADGMCFI-PCA-2025-005
Name of Case	Sky Property Holdings LTD v. Corporate Sky Business Center L.T.D
Judge	Justice Sir Andrew Smith
Date Issued	1 September 2025
Catchwords	Freezing order. Risk of dissipation. “Without prejudice” privilege. Negotiations to settle a dispute. Exception of unambiguous impropriety.
Cases Cited	<p>Abu Dhabi Commercial Bank PJSC v Manghat, [2022] ADGM CFI 0007</p> <p>Thane Investments Ltd v Tomlinson (No 1), [2003] EWCA Civ 1272</p> <p>Lakatamia Shipping Co Ltd v Moritomo, [2019] EWCA Civ 2033</p> <p>Ninemia Corp v Trave Schiffahrtsgesellschaft GmbH (The Niedersachsen), [1983] 2 Lloyd’s Rep 600</p> <p>Isabel dos Santos v Unitel SA, [2024] EWCA Civ 1109</p> <p>AC Network Holding and ors v Polymath Ekar SPV1 and ors, [2023] ADGM CA 0002</p> <p>Bradford & Bingley plc v Rashid (FC), [2006] UKHL 37</p> <p>Alan Ramsay Sales & Marketing Ltd v Typhoo Tea Ltd, [2016] EWHC 486 (Comm)</p> <p>Unilever plc v The Proctor & Gamble Co, [1999] EWCA Civ 3027</p> <p>Boreh v Republic of Djibouti and ors, [2015] EWHC 769 (Comm)</p> <p>Motorola Solutions Inc and anor v Hytera Communications Corp and anor, [2021] EWCA Civ 11</p> <p>Savings & Investment Bank Ltd v Fincken, [2003] EWCA Civ 1630</p> <p>Barnetson v Framlington Group Limited and anor, [2007] EWCA Civ 502</p>
Legislation and Authorities Cited	<p>Abu Dhabi Law No. 20 of 2006</p> <p>Abu Dhabi Law No. 4 of 2013 (as amended by Abu Dhabi Law No. 12 of 2020)</p> <p>ADGM Court Procedure Rules 2016</p> <p>ADGM Courts, Civil Evidence, Judgments, Enforcement and Judicial Appointments Regulations 2015</p> <p>ADGM Application of English Law Regulations 2015</p>
	<p>The dispute in this case arises out of a commercial lease agreement for property on Al Reem Island, with Sky Property Holdings LTD (“Sky”) bringing a pre-claim without notice application seeking a “domestic freezing injunction” against Corporate Sky Business Center L.T.D (“CSBC”) for</p>

Executive Summary	<p>unpaid rent and (alternatively) damages for wrongful occupation, totalling AED 3,748,500.</p> <p>The Court held that Sky had shown a serious issue to be tried on its claim, and its decision whether to grant the freezing injunction hinged on whether Sky had shown a sufficient "risk of dissipation" of assets by CSBC. A significant portion of the judgment focuses on the admissibility of evidence regarding alleged threats by CSBC to dissolve and dispose of assets, considering the "without prejudice rule" and the "unambiguous impropriety" exception. Ultimately, the Court determined that the evidence of threats was admissible, satisfying the risk of dissipation, and granted a worldwide freezing order, also requiring CSBC to provide information about its global assets.</p>
Overall Summary	<p>Background</p> <p>The matter originated from a commercial lease agreement dated 1 December 2022, where Sky leased the 23rd floor of Sky Tower, Al Reem Island, to CSBC for one year. The lease prohibited subleasing without Sky's written consent and stipulated that rent would continue until the property was "totally and officially vacant". The agreement was governed by "<i>the laws of the United Arab Emirates as applied in the applicable Emirate where the Property is located</i>" (held to be Abu Dhabi onshore law).</p> <p>Sky notified CSBC in August 2023 that the lease would not be renewed upon its expiry on 30 November 2023. CSBC objected, claiming automatic renewal, and subsequently sent post-dated cheques for rent. Despite Sky's notice, CSBC did not vacate the property and continues to occupy it. Previous proceedings brought by Sky before the Abu Dhabi Judicial Department were dismissed on procedural/ jurisdictional grounds. In those proceedings, it was alleged that CSBC had subleased the property without Sky's knowledge. In December 2024, CSBC reiterated its claim of automatic renewal sending further post-dated cheques. In May 2025, Sky claimed AED 3,748,500 for outstanding rent and VAT and in June 2025 Sky sought a meeting with CSBC.</p> <p>The Application for a Freezing Order: Sky sought the freezing order without notice, arguing that prior notification would allow CSBC to dissipate assets. The application was supported by affidavits from Sky's Managing Director, Mr. Frederic Paul Raymond Lacroix, and its legal representative, Mr. Omar Issa Odeh Ahmad. Mr. Ahmad's affidavit stated that during a meeting on 30 June 2025, convened to amicably resolve the dispute, CSBC's shareholders "threatened to dissolve the company and dispose of its assets" to evade payment, taking advantage of the company's limited liability structure.</p> <p>Jurisdiction: The Court confirmed its exclusive jurisdiction because both Sky and CSBC are registered ADGM establishments, and the leased property is also within the ADGM. The dispute thus arises from a contract to be performed in the ADGM. The Court has the power to issue freezing orders under the ADGM Courts Regulations.</p> <p>Legal Principles for Freezing Orders: The Court reiterated the three conditions for granting a freezing order:</p> <ol style="list-style-type: none"> 1. A good arguable case (or "serious issue to be tried").

	<p>2. A real risk that judgment would go unsatisfied due to asset dissipation.</p> <p>3. It would be just and convenient to grant the order.</p> <p>Analysis</p> <p><i>Serious Issue to Be Tried</i> The Court found that Sky demonstrated a serious issue to be tried regarding its entitlement to rent under clause 7.4 of the Lease Agreement for CSBC's continued occupation after November 2023. The claimed amount of AED 3,748,500 was considered justified, especially when factoring in potential interest and costs.</p> <p><i>Risk of Dissipation</i> The primary evidence for the risk of dissipation was the alleged threats made by CSBC's representatives to dissolve the company and dispose of its assets. The Court determined that other factors, such as CSBC's corporate structure or the issuance of post-dated cheques, did not establish a risk of dissipation.</p> <p>The crucial point was the admissibility of the threats, and whether they were subject to the "without prejudice" rule. This rule generally prevents the use of communications made during genuine settlement negotiations as evidence. However, an exception exists for "unambiguous impropriety".</p> <p>The Court concluded that the discussions on 30 June 2025 were not truly "negotiations to settle a dispute" in the relevant sense. The correspondence leading to the meeting focused on payment for rent and lease renewal, and whether this would reasonably be expected to lead to litigation, especially as CSBC had already offered to pay the amounts (albeit in instalments). Therefore, the "without prejudice" rule did not apply, and the evidence of the threats was admissible.</p> <p><i>Obiter dictum on "unambiguous impropriety"</i> The Court noted that if the "without prejudice" rule had applied, a threat to liquidate and dispose of assets (as opposed to merely liquidating) would likely constitute "unambiguous impropriety," allowing the evidence to be admitted under that exception, though this would require careful review at an inter partes hearing.</p> <p><i>Just and Convenient</i> The Court found it just and convenient to grant the freezing order to prevent Sky's claim from being improperly frustrated.</p> <p>Conclusion</p> <p>The Court granted a worldwide freezing order with a limit of AED 3,748,500. The order also required CSBC to provide worldwide information about its assets, despite Sky's initial draft being narrower in scope.</p>
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This statement is not intended to be a substitute for the reasons of the Court or to be used in any later consideration of the Court's reasons.