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

[2025] SGHC 194

Originating Application No 1177 of 2024 (Summonses Nos 1733 and 2095 of 2025)

Between

LLS Capital Pte Ltd

… *Claimant*

And

(1) Chan Swee Lean
(2) Two Buffalo Pte Ltd

… *Defendants*

JUDGMENT

[Credit and Security — Money and moneylenders — Illegal moneylending]
[Civil Procedure — Injunctions]
[Civil Procedure — Appeals]
[Civil Procedure — Inherent powers]
[Abuse of Process — *Henderson v Henderson* doctrine]

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LLS Capital Pte Ltd
v
Chan Swee Lean and another

[2025] SGHC 194

General Division of the High Court — Originating Application No 1177 of 2024 (Summonses Nos 1733 and 2095 of 2025)
Tan Siong Thye SJ
1 September 2025

30 September 2025 Judgment reserved.

Tan Siong Thye SJ:

Introduction

1 HC/SUM 1733/2025 ("SUM 1733") is an application by Dr Chan Swee Lean ("Chan") and Two Buffalo Pte Ltd ("Two Buffalo") (collectively, the "Defendants"), who are the defendants in HC/OA 1177/2024 ("OA 1177"), to set aside HC/ORC 619/2025 ("ORC 619"). ORC 619 was granted to the claimant, LLS Capital Pte Ltd ("LLS"), on 20 January 2025 arising from LLS's application in OA 1177. OA 1177 was LLS's application for the delivery of Chan's property (the "Property") to LLS as Two Buffalo was unable to repay the debt owing to LLS, which Chan had guaranteed and secured via a mortgage over the Property. In SUM 1733, the Defendants also seek to convert OA 1177 into an Originating Claim ("OC") on the primary ground that they only recently realised that the loan arrangement between LLS and Two Buffalo was a sham

designed to circumvent ss 5(1) and 19(1) of the Moneylenders Act 2008 (2020 Rev Ed) (the "MA"). In the alternative, they seek an extension of time to file and serve a notice of appeal against the decision in ORC 619.

2 Conversely, HC/SUM 2095/2025 ("SUM 2095") is LLS's application to set aside HC/ORC 3351/2025 ("ORC 3351"). ORC 3351 is an order for an interim injunction granted by this court on 12 June 2025 arising from the Defendants' *ex parte* application in HC/SUM 1629/2025 ("SUM 1629") to prevent LLS from completing the sale of the Property, pending the *inter partes* hearing to determine the Defendants' arguments on the illegality of the loan arrangement.

3 Having considered the matter, I am of the view that the Defendants' arguments on illegality are not made out on a balance of probabilities. I hence dismiss SUM 1733 and allow SUM 2095.

Background facts

4 In early 2022, Mr Wong Kee Chet ("Wong") sought Chan's assistance to obtain a loan for his business, MKY Capital Pte Ltd ("MKY").[1] Chan agreed. On 30 March 2022, she entered into a loan agreement with VM Credit Pte Ltd ("VM Credit") to borrow the sum of $2.2m (the "VM Credit Loan"). Chan secured the VM Credit Loan by way of a mortgage over the Property.[2]

5 Around March 2024, VM Credit started putting pressure on Chan to repay the loan. She thus sought Wong's assistance to find another creditor to

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1 Chan Swee Lean's 3rd affidavit dated 20 June 2025 ("Chan's 3rd affidavit") at para 7.

2 Chan's 3rd affidavit at para 8.

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refinance the loan. He did so and later put Chan in touch with one Mr Kenneth Yeo Junyu ("Yeo"),[3] who is a manager of LLS.[4]

6 The subsequent events are disputed. According to LLS, Chan provided to Yeo a signed "Business Proposal" which stated as follows:[5]

> Business Proposal:
>
> I have intend to do business consultancy especially on the property selling and buying. And advise people on how to use the property to do some investment. For future we have plan to create an online Apps. So when client need oor [*sic*] service, they can go by digital online and reach out to us. So can say we are one stop advisory to client.
>
> Reason to take loan:
>
> I have intend to expand my business, such as find a place for renting, hired worker, renovation office. And keep some fund for cash flow.
>
> …
>
> Total loan Given are: $ 2.7Mil
>
> Pay to Value Max for Existing Loan: $ 2.52Mil
>
> Cash out: $ 180K
>
> Here are the funds that I need:
>
> Hired 2 Worker : $ 3,000 x 12 x 2 Pax = $ 72,000 per year
>
> Rent office : $ 2,500 x 12 = $ 30,000
>
> Renovation : $ 50,000
>
> Cash flow : $ 28,000
>
> Total : $ 180,000
>
> …

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3 Chan's 3rd affidavit at para 9; Affidavit of Wong Kee Chet dated 19 August 2025 ("Wong's affidavit") at para 8; Ng Poh Chin's 4th affidavit dated 28 July 2025 ("Ng's 4th affidavit") at para 15.

4 Ng's 4th affidavit at para 13.

5 Ng's 4th affidavit at para 14 and p 46.

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[emphasis in original omitted]

7 On 8 March 2024, Chan bought over Two Buffalo from Yeo at $5,000 and they signed a sale and purchase agreement (the "SPA").[6] Thereafter, Chan became the sole shareholder and director of Two Buffalo.

8 On 13 March 2024, Chan obtained a Deed of Indemnity (the "DOI") from Yeo, which was prepared and signed in the presence of Chan's lawyer. Chan had requested for the indemnity as she was concerned about any potential outstanding liabilities which Two Buffalo might have previously incurred.[7] On the same day, Chan also made a statutory declaration (the "SD"), declaring that "the loan is obtained solely for the business use of Two Buffalo Pte Ltd and not for any other purpose(s)".[8] Also on 13 March 2024, following a Letter of Offer issued by LLS the previous day, LLS entered into a loan agreement with Two Buffalo for a total loan sum of $2.8m, comprising two loan sums of $2.7m and $100,000 respectively (the "Loan"). The Loan was guaranteed by Chan, who provided security by way of a mortgage over the Property (the "Loan Arrangement").[9]

9 In contrast, Chan's account, in brief, is that she was instructed by Yeo to acquire Two Buffalo (of which Yeo was a director at that time) so that LLS could effectively extend a personal loan to her by circumventing the MA.[10] Chan acknowledges that she received a draft of the Business Proposal from Wong in

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6 Ng's 4th affidavit at para 15 and p 48.

7 Ng's 4th affidavit at para 16 and p 53.

8 Ng's 4th affidavit at para 17 and p 58.

9 Ng Poh Chin's 1st affidavit dated 11 November 2024 ("Ng's 1st affidavit") at paras 3−4 and pp 9−39.

10 Chan's 3rd affidavit at para 12.

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early March 2024, but she does not recall signing this document. In fact, she alleges that she never requested for any draft business proposal. Even if she had signed it, she only did so because LLS "would have required this".[11]

10 As regards the SPA, Chan similarly avers that she does not have a copy of it, does not recall signing it, and only signed it on Yeo's instructions so that she could obtain the Loan from LLS.[12] In relation to the DOI, Chan avers that she does not recall signing it. However, she confirms that her signature appears on it. Chan asserts that Wong suggested having a DOI from Yeo and she agreed.[13] Lastly, with respect to the SD, Chan makes the same averments, *ie*, that she does not recall signing this document.[14] Basically, Chan avers, in relation to all the above-mentioned documents, that she was unable to read them properly when signing them as she had just undergone two successive cataract surgeries on 27 February and 7 March 2024. She also did not have sufficient time to read through the documents on 13 March 2024 as she was asked to sign several documents within a span of 15 to 20 minutes.[15]

11 On either account, Chan entered into the Loan Arrangement for the Loan.[16] Thereafter, LLS's solicitors handed a cashier's order of $2,667,977.68 to VM Credit's solicitors to redeem the VM Credit Loan, while $70,505 was deducted upfront by LLS as brokerage and processing fees. Of the remaining

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11 Chan Swee Lean's 4th affidavit dated 19 August 2025 ("Chan's 4th affidavit") at para 14.

12 Chan's 4th affidavit at para 15.

13 Chan's 4th affidavit at para 16; Wong's affidavit at para 10.

14 Chan's 4th affidavit at para 17.

15 Chan's 4th affidavit at para 19; Defendants' Written Submissions dated 27 August 2025 ("DWS") at para 65.

16 See Chan's 3rd affidavit at para 12(c).

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$61,517.32, Chan allowed Wong to withdraw $61,400 for his or MKY's use, while she withdrew the remaining sum of $117.32 for herself.[17] Thereafter, Chan sought Yeo's help to close Two Buffalo's corporate account (the "UOB Account") to avoid paying the bank the administrative charge for maintaining the account below the minimum balance.[18]

12 Two Buffalo subsequently defaulted on its payment obligations under the Loan Arrangement. On 27 June 2024, LLS sent Notices of Demand to Chan and Two Buffalo respectively, requiring them to make repayment within 14 days, failing which, LLS would proceed to exercise its power to enforce the mortgage.[19] On 3 October 2024, LLS's solicitors sent letters to Chan, requiring her to deliver possession of the Property within one month.[20] As of 6 November 2024, $3,309,677.82 remains due under the Loan Arrangement, with the amount of instalments in arrears totalling $169,250 and rising.[21]

Procedural background

13 On 11 November 2024, LLS filed OA 1177, effectively seeking the delivery of possession of the Property in repayment of the Loan (with interests).[22] At a hearing before the learned Assistant Registrar on 20 January 2025, LLS's application was granted in terms, after counsel for the Defendants confirmed that they were not contesting the application (save as to the issue of

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17 Chan's 3rd affidavit at para 12(d).

18 Chan's 3rd affidavit at para 12(e).

19 Ng's 1st affidavit at para 7 and pp 55−64.

20 Ng's 1st affidavit at para 9 and pp 66−67.

21 Ng's 1st affidavit at para 15 and p 69.

22 See HC/OA 1177/2024.

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costs).[23] The corresponding order, ORC 619, was extracted on 4 February 2025. On 21 February 2025, the summons for the enforcement order was filed, and the same was granted on 24 February 2025.

14 On 11 June 2025, the Defendants filed SUM 1629, seeking to restrain LLS from completing the sale of the Property. This was two days before the sale of the Property was to be legally completed.[24] The Defendants alleged that the Loan Arrangement was illegal as it was an attempt at circumventing the MA,[25] and that such illegality was only brought to the attention of their counsel on 24 May 2025.[26] This court heard the *ex parte* application and granted it on 12 June 2025 (in the absence of LLS's counsel). ORC 3351 was extracted the next day. The Defendants informed the court at the hearing that they would apply to set aside ORC 619 or to seek an extension of time to file an appeal. The court directed the Defendants to do so by 20 June 2025.[27]

15 Accordingly, the Defendants filed SUM 1733 on 20 June 2025, in which they seek to set aside ORC 619, and to convert OA 1177 into an OC or for an extension of time to file a notice of appeal against the decision made in ORC 619.[28]

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23 Ng's 4th affidavit at p 19 lines 42−44 and p 20 line 20.

24 Chan Swee Lean's 2nd affidavit dated 11 June 2025 ("Chan's 2nd affidavit") at para 21.

25 Chan's 2nd affidavit at para 12.

26 Chan's 2nd affidavit at para 14.

27 Transcript for 12 June 2025 at p 10 lines 9−12, p 16 lines 1−6 and p 17 lines 3−7.

28 See HC/SUM 1733/2025.

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16 On 28 July 2025, LLS filed SUM 2095 seeking to set aside ORC 3351. On 1 September 2025, this court heard SUM 1733 and SUM 2095. With these background facts in mind, I shall now summarise the parties' arguments.

Parties' arguments

The Defendants' arguments

17 The Defendants argue that the court has the power to set aside ORC 619 on three bases: (a) pursuant to O 3 r 2(8)(*c*) of the Rules of Court 2021 (the "ROC 2021"); (b) by invoking the court's residual discretion under O 3 r 2(2) of the ROC 2021; and (c) by exercising the court's inherent power to prevent injustice.[29] They argue, relying heavily on the case of *North Star (S) Capital Pte Ltd v Yip Fook Meng* [2022] 1 SLR 677 ("*North Star (AD)*"), that ORC 619 should be set aside because the Loan Arrangement was a sham, designed to allow LLS to circumvent the MA to extend a personal loan to Chan. As the mortgage over the Property was given pursuant to such an illegal arrangement, it should be void *ab initio*.[30] Therefore, ORC 619 should be set aside to prevent injustice and for policy reasons as it was obtained on facts that were tainted with illegality.[31]

18 The Defendants argue that, following the setting aside of ORC 619, OA 1177 should be converted into an OC so that issues on the purported illegality can be fully canvassed at trial.[32] Alternatively, the Defendants seek an

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29 DWS at paras 18 and 22.

30 DWS at paras 24−28.

31 See DWS at paras 29−38.

32 DWS at para 39.

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extension of time to file a notice of appeal against ORC 619 despite the fact that the deadline for doing so had expired on 18 February 2025.[33]

19 Further, the Defendants argue that SUM 1733 is not an abuse of process as it directly challenges the foundational basis of the order granted in ORC 619.[34] Even if the doctrine of abuse of process is engaged, it is not made out.[35] The Defendants explain that their counsel only found out about the illegality of the Loan Arrangement on 22 May 2025. This was after they saw an e-mail which Wong had sent to the Monetary Authority of Singapore (the "MAS") to lodge a complaint against LLS, and clarified the full factual background of the matter with the Defendants. Previously, the Defendants did not instruct their counsel on the illegality issue as they:[36]

> … did not know that [Yeo's] actions in instructing and/or facilitating [Chan] to acquire [Two Buffalo] was for the purpose of circumventing the provisions of the Moneylenders Act. [emphasis in original omitted]

20 The Defendants further argue that it was only after LLS filed its fourth affidavit (which exhibited certain documents, including the Business Proposal, the DOI and the SD) that they possessed the necessary evidence to properly raise the defence of illegality.[37] In any event, the Defendants argue that the court should take cognisance of the facts surrounding the illegality of the Loan Arrangement and "invoke illegality on its own motion and choose not to allow ORC 619 to be enforced by setting aside ORC 619".[38]

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33 See DWS at paras 40−51.

34 See DWS at paras 52−54.

35 DWS at para 55.

36 Chan's 3rd affidavit at paras 19−20.

37 DWS at para 57.

38 DWS at para 60.

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21 As regards SUM 2095, the Defendants argue, for the same reasons, that it should be dismissed.[39] Specifically, they explain that they had given full and frank disclosure to the court in SUM 1629. The documents which they did not disclose were not in their possession at the time of filing SUM 1629.[40] In any event, they highlight that ORC 3351, *ie*, the interim injunction against LLS, should not be discharged because the Defendants (particularly, Chan) would otherwise face severe prejudice and injustice.[41]

LLS's arguments

22 Preliminarily, LLS takes issue with Chan's fourth affidavit. It argues that Chan had impermissibly used it to reply to matters pertaining to SUM 1733 contained in LLS's single affidavit filed in relation to SUM 1733 and SUM 2095, when permission was only granted for her to reply to matters pertaining to SUM 2095.[42] However, as alluded to during the hearing, I am unable to accept this argument. This is because the facts underlying the matters raised in LLS's single affidavit filed in relation to both summonses are intertwined, and it is neither feasible nor desirable to attempt to split hairs within Chan's fourth affidavit. In any event, counsel for LLS ("Mr Balasubramaniam") had every opportunity to respond to Chan's fourth affidavit (whether through LLS's written submissions or at the hearing before me). I shall hence consider Chan's fourth affidavit in its entirety as part of the substratum of evidence.

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39 DWS at para 61.

40 DWS at paras 64−67.

41 DWS at para 68.

42 Claimant's Written Submissions dated 25 August 2025 ("CWS") at paras 22−23.

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23 I shall now turn to LLS's substantive submissions. In summary, LLS makes the following arguments:[43]

(a) There are no grounds for the Defendants to raise the MA as the Loan Arrangement was not a sham and the MA was not contravened.

(b) For six months, the Defendants chose not to appeal against the decision in ORC 619, which was granted after a proper hearing and with both parties being represented. They should thus not be allowed a "third bite of the cherry" to re-litigate the matter on its merits. The Defendants have also not explained the inordinate delay in filing their applications.

(c) In any event, any such appeal would be based on different grounds and require fresh evidence to be adduced, which should however be disallowed.

(d) There are thus no grounds to set aside ORC 619, and SUM 1733 should be dismissed.

(e) Correspondingly, ORC 3351, which was also granted despite the Defendants' breach of their duty of full and frank disclosure in SUM 1629, should be set aside.

(f) Further, the Defendants are barred from re-litigating the matter on its merits, which is an abuse of process.

Issues to be determined

24 Based on the parties' arguments, the following issues arise for my consideration:

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[43] CWS at para 6.

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(a) whether ORC 619 should be set aside;

(b) if ORC 619 should be set aside, whether OA 1177 should be converted into an OC;

(c) if ORC 619 should be set aside, but OA 1177 should not be converted into an OC, whether an extension of time for the Defendants to file an appeal against ORC 619 should be granted; and

(d) whether ORC 3351 should be set aside.

Whether ORC 619 should be set aside

25 I shall first consider whether ORC 619 should be set aside. In my view, it should not.

The court's power to set aside judgments and orders

26 Of the three purported sources of power for setting aside judgments and orders which the Defendants raise (see [17] above), the first, *ie*, the power under O 3 r 2(8)(*c*) of the ROC 2021, is not applicable since there is nothing suggesting that ORC 619 *itself* was obtained "contrary to any written law". As counsel for the Defendants ("Mr Kang") conceded during the hearing, ORC 619 is a regular judgment (akin to a regular default judgment). Order 3 r 2(8)(*c*) of the ROC 2021 is thus inapplicable. For completeness, I am also unable to accept the parties' characterisation of ORC 619 as a default judgment,[44] since ORC 619 was issued pursuant to a hearing with both parties in attendance. Order 3 r 2(8)(*a*) of the ROC 2021 would thus also be inapplicable.

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[44] CWS at paras 63−64.

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27 I shall now consider the other two purported sources of the court's power to set aside judgments. I agree with the Defendants[45] that, whether under O 3 r 2(2) of the ROC 2021 or under the common law, the court has a power to set aside a judgment or court order in order to prevent injustice: *Harmonious Coretrades Pte Ltd v United Integrated Services Pte Ltd* [2020] 1 SLR 206 ("*Harmonious Coretrades*") at [36]−[40]; read with *Blomberg, Johan Daniel v Khan Zhi Yan* [2024] 3 SLR 1079 at [43]−[45] and *Rex Lam Paki v PNG Sustainable Development Program Ltd* [2023] 2 SLR 170 at [16]−[17]. In *Harmonious Coretrades*, the Court of Appeal explained (at [40]) that:

> 40 … the court retains the residual discretion to set aside a judgment or court order so as to prevent injustice. However, we emphasise that this is not a licence to litigants to make frivolous applications to set aside judgments or court orders. The court's inherent power to set aside a judgment or court order should never become a back-door appeal or an opportunistic attempt to relitigate the merits of the case. *One such situation where the court's inherent power could be justifiably invoked might be where the substratum or the very foundation of a court order has been destroyed, such that the continued existence or future performance of the court order would lead to injustice.* … [emphasis added]

Whether the Loan Arrangement was a sham

28 With these principles in mind, I shall now consider the Defendants' key contention: that ORC 619 should be set aside because the Loan Arrangement underlying it was a sham aimed at allowing LLS to circumvent the MA to grant Chan a personal loan (see [17] above). I am unable to accept this argument.

The applicable law

29 In *North Star (AD)* at [11], the Appellate Division of the High Court held that where illegality is not pleaded, the court is nevertheless entitled to

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[45] DWS at paras 20−22.

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invoke illegality on its own motion where one or more of the propositions in the case of *Edler v Auerbach* [1950] 1 KB 359 at 371 ("*Edler*") is/are satisfied:

> 11 Where illegality is not pleaded, the court is entitled to invoke illegality of its own motion where one or more of the following propositions set out in *Edler v Auerbach* [1950] 1 KB 359 at 371 ("*Edler*") (affirmed in *Ting Siew May v Boon Lay Choo and another* [2014] 3 SLR 609 ("*Ting Siew May*") at [29]) is satisfied (hereinafter referred to as the "First *Edler* Proposition" to the "Fourth *Edler* Proposition", respectively):
>
> > … [F]irst, that, where a contract is ex facie illegal, the court will not enforce it, whether the illegality is pleaded or not [the '***First Edler Proposition***']; secondly, that, where … the contract is not ex facie illegal, evidence of extraneous circumstances tending to show that it has an illegal object should not be admitted unless the circumstances relied on are pleaded [the '***Second Edler Proposition***']; thirdly, that, where unpleaded facts, which taken by themselves show an illegal object, have been revealed in evidence (because, perhaps, no objection was raised or because they were adduced for some other purpose), the court should not act on them unless it is satisfied that the whole of the relevant circumstances are before it [the '***Third Edler Proposition***']; but, fourthly, that, where the court is satisfied that all the relevant facts are before it and it can see clearly from them that the contract had an illegal object, it may not enforce the contract, whether the facts were pleaded or not [the '***Fourth Edler Proposition***']. [emphasis added in bold italics]
>
> [emphasis in original]

I shall adopt the same abbreviations as defined in *North Star (AD)* when I discuss in detail the case of *North Star (AD)* which the Defendants rely upon heavily to argue that the Loan Arrangement is illegal.

30 In *North Star (AD)*, the appellant company ("North Star") entered into a loan agreement with another company, Megatrucare, for the former to lend the latter $300,000. The loan was guaranteed by the respondent ("Yip"), who also assigned $309,000 out of the sale proceeds of his property upon completion of its sale, to North Star, to repay the loan (*North Star (AD)* at [1] and [2]).

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Megatrucare defaulted on payment of the loan and North Star sought to enforce the guarantee against Yip (*North Star (AD)* at [5]). The trial judge dismissed North Star's claim on the sole ground that the guarantee was a personal loan given to Yip in contravention of the MA (*North Star (AD)* at [6]). On appeal, the main issues were, *inter alia*: (a) whether the court could invoke illegality on its own motion despite Yip not having pleaded that he was the true borrower of the loan; and (b) whether the loan arrangement was a sham (*North Star (AD)* at [9] and [13]).

31 In relation to the first issue, the Appellate Division of the High Court held that the First and Second *Edler* Propositions did not apply. This was respectively because: (a) the loan was not *ex facie* illegal; and (b) the extraneous circumstance tending to show that the loan had an illegal object was not pleaded (*North Star (AD)* at [12]−[13]; see also *North Star (S) Capital Pte Ltd v Megatrucare Pte Ltd and another* [2021] SGHC 110 at [61]). As regards the Third and Fourth *Edler* Propositions, the court held (at [15]−[16]) that "the material issue is whether all the relevant facts relating to the personal loan illegality defence were before the [trial judge]", and, in this regard, that "all such relevant facts were before the [trial judge] for him to conclude that: (a) [Yip] was the true borrower … and (b) [North Star] was in the business of moneylending". In so holding, the Appellate Division of the High Court observed that this issue was canvassed at trial, and that the trial judge had in fact raised his concerns as to the illegality defence during the trial and directed parties to address this point in their closing submissions (*North Star (AD)* [17]−[19]).

32 As regards the second issue, the Appellate Division of the High Court defined a "sham agreement" as an "agreement [which] was not intended to create enforceable legal obligations but was intended to deceive third parties"

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(*North Star (AD)* at [22], citing *Toh Eng Tiah v Jiang Angelina and another appeal* [2021] 1 SLR 1176 at [77]). The court also cautioned that in examining this issue, it is the substance of the transaction, and not its form, which is determinative (*North Star (AD)* at [23], citing *Sheagar s/o T M Veloo v Belfield International (Hong Kong) Ltd* [2014] 3 SLR 524 ("*Sheagar*") at [81]).

33 The Appellate Division of the High Court held that the trial judge did not err in finding that the loan arrangement was illegal and was a sham (*North Star (AD)* at [23]−[30] and [32]).

Application to the present case

34 While the propositions in *Edler* were canvassed in the context of an OC, they should similarly apply to Originating Applications with appropriate adaptations. I am of the view that the First and Second *Edler* Propositions (see [29] and [31] above) are inapplicable here. The Loan Arrangement is not *ex facie* illegal. The Defendants also accepted the legality of the Loan Arrangement and did not adduce any extraneous circumstances alleging the illegality of the Loan Arrangement *in OA 1177*.

35 As regards the Third and Fourth *Edler* Propositions, contrary to the Defendants' submission that "the facts in OA 1177 not only sits [*sic*] almost entirely on all fours with the facts in [*North Star (AD)*, but] …there is even more compelling evidence that [the Loan Arrangement] was a sham"[46] [emphasis in original omitted], I find that *North Star (AD)* is distinguishable. As earlier explained (see [29] and [31] above), the inquiry under the Third and Fourth *Edler* Propositions is whether all the relevant facts relating to the illegality

[46] DWS at para 25.

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defence are before the court. If they are, then, pursuant to the Fourth *Edler* Proposition, the court may not enforce the illegal contract, whether the relevant facts were pleaded or not. Otherwise, the court should not, pursuant to the Third *Edler* Proposition, act on the incomplete facts. In *North Star (AD)*, all the relevant facts in relation to the illegality argument were before the trial judge. However, in this case the court does not have all the relevant facts in relation to the Defendants' illegality argument before me. At the hearing, I took pains to emphasise that Yeo was able to provide material evidence regarding the Loan Arrangement and would be able to shed some light regarding the allegation of illegality of the Loan Arrangement. Yet, the Defendants did not adduce an affidavit by Yeo to support their allegation that the Loan Arrangement was illegal. The issue of illegality was raised by Chan and appears to be self-serving to defeat LLS's efforts at selling the Property.

36 LLS also did not produce an affidavit from Yeo, who is its Manager, to rebut the illegality of the Loan Arrangement alleged by the Defendants. Without his account, it cannot truly be said that the whole of the relevant circumstances in relation to the Defendants' illegality defence is before the court. Pursuant to the Third *Edler* Proposition, the court should not act on the self-serving evidence of the Defendants that lacks credibility which purportedly show that the Loan Arrangement was illegal.

37 In any event and more fundamentally, I am not convinced by the Defendants' averment that the Loan Arrangement was an illegal attempt to circumvent the MA, for at least two reasons.

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(1) The Defendants adduced no direct and independent evidence to support their illegality argument

38 First, the direct evidence adduced by the Defendants to purportedly support the illegality argument does nothing to prove it. According to Chan, her averment that "Yeo instructed [her] to acquire [Two Buffalo]" in the process of obtaining the Loan from LLS is supported by certain WhatsApp messages exchanged between them.[47] This is also the only piece of direct evidence adduced by the Defendants to support their illegality argument. However, the WhatsApp messages do not reveal any illegality of the Loan Arrangement but merely show Chan asking Yeo for the contact information of Two Buffalo's company secretary, and Chan seeking Yeo's assistance to close the UOB Account. There is nothing in the WhatsApp messages to show that Yeo asked Chan to acquire Two Buffalo:[48]

> 07/03/2024, 01:19 - Messages and calls are end-to-end encrypted. Only people in this chat can read, listen to, or share them. Learn more.
>
> 14/03/2024, 09:37 - SweeLean: Kenneth, pls give me the company secretary's contact information. Thanks. Chan Swee Lean
>
> 14/03/2024, 10:02 - Kenneth Yeo: <Media omitted>
>
> 14/03/2024, 10:02 - SweeLean: Thanks
>
> 14/03/2024, 10:02 - Kenneth Yeo: look for Winny Tan
>
> 14/03/2024, 10:02 - SweeLean: Ok
>
> 19/03/2024, 10:54 - Kenneth Yeo: IMG-20240328-WA0006.jpg (file attached) Dear Dr Chan, above is the repayment schedule for loan to Two Buffalo PL. The repayment account is UOB, LLS CAPITAL PTE. LTD., account number: [REDACTED]
>
> 19/03/2024, 10:55 - SweeLean: Noted with thanks

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47 Chan's 3rd affidavit at para 12(a).

48 Chan's 3rd affidavit at p 142.

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> 20/03/2024, 13:23 - SweeLean: Kenneth, I went to UOB. I couldn't change the signatory for the company account cos seller had to be present. So I withdrew all the money. Can I close that account then? Only the seller can close it, if not, a nominal fee is chargeable every month.
>
> 20/03/2024, 13:23 - Kenneth Yeo: Ok close then
>
> 20/03/2024, 13:24 - SweeLean: Please ask the seller to do it. I am not authorised.
>
> 20/03/2024, 13:24 - Kenneth Yeo: Funny I already not director why can't change to her
>
> 20/03/2024, 13:25 - SweeLean: I brought letter everything, banker said seller had to be present.
>
> 20/03/2024, 13:25 - Kenneth Yeo: Because to close ac need director
>
> 20/03/2024, 13:25 - Kenneth Yeo: Nvm I ask bank
>
> 20/03/2024, 13:25 - SweeLean: Ok. Thanks
>
> 20/03/2024, 13:27 - SweeLean: I went to UOB HV branch. Change signatory - no, close account -no.
>
> 20/03/2024, 13:27 - Kenneth Yeo: U download the app for Maribank
>
> 20/03/2024, 13:28 - Kenneth Yeo: I used it to open company ac, 2 days only open liao
>
> 20/03/2024, 13:28 - Kenneth Yeo: It is a new digital bank by Shoppee
>
> 20/03/2024, 13:28 - Kenneth Yeo: I will close the uob ac
>
> 20/03/2024, 13:28 - SweeLean: Good. Thanks.
>
> 20/03/2024, 13:29 - Kenneth Yeo: No minimum balance
>
> 20/03/2024, 13:29 SweeLean: [thumbs up emoji]

39 There is thus serious doubt over the credibility of the Defendants' account. Further, the Defendants argue that the illegality argument is evidenced by the fact that Yeo assisted the Defendants to close the UOB Account after Chan withdrew all the loan monies deposited therein without hesitation.[49] This

[49] DWS at paras 25(b) and (g).

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argument does not assist the Defendants, because Yeo had in fact suggested opening a new corporate account for Two Buffalo using Maribank, to address Chan's concern that there would be an administrative charge if the account was below the minimum balance requirement of the UOB Account (see [38] above). This suggests that Yeo had in fact believed that Two Buffalo would require a corporate account, further harming the credibility of the Defendants' account of affairs.

40 In any event, as LLS argues,[50] even if Chan used the loan monies personally *after* the Loan Arrangement was concluded, this does not necessarily mean the Loan Arrangement was meant to benefit Chan: *SVM International Trading Pte Ltd and others v Liew Kum Chong* [2020] SGCA 63 at [5]:

> 5 We do not see why the loans should be regarded as sham transactions simply because they were made to the three appellant companies although the funds were ultimately to be used by Pan [a shareholder and guarantor of the loans] … It was the prerogative of the appellants to decide how the funds from the loans would be deployed and if they decided that all the funds would be handed over to Pan for her use, that alone could not raise any issue about the legitimacy of the loans.

In this case the reality of the Loan Arrangement was to assist Wong to access more liquidity for MKY from VM Credit and later LLS. It was not for Chan's personal use. This will be discussed further in the paragraphs immediately below.

(2) The available evidence suggests that the Loan Arrangement was for MKY's benefit

41 Second, the available evidence *positively* suggests that the Loan Arrangement was effectively meant for MKY, which is a company.

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[50] CWS at para 14.

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42 By Chan's own account, the genesis of the loans (*ie*, the $2.2m she had first taken out with VM Credit, which she later sought to refinance through LLS) *was* for the benefit of Wong, whom she regarded as her "business associate", and, in turn, MKY:[51]

> I entered into this Loan Agreement to *obtain funds for MKY* Capital Pte Ltd. ("MKY"). Therefore, *MKY has agreed to repay the Loan Agreement on the 2nd Defendant's behalf*. My *business associate*, Mr Wong Kee Chet ("KC"), who is the sole director of MKY, has been in constant touch with Kenneth Yeo ("Kenneth"), a representative of the Claimant … the last few months. [emphasis added]

43 This is confirmed by Wong's account. For instance, he stated in his complaint email to MAS:[52]

> We are writing to formally lodge a complaint against LLS Capital Pte Ltd (LC)'s broker, Kenneth Yeo (KY) for his unethical and unreasonable conduct in handling the mortgage loan and foreclosure proceedings involving *our business associate*, Dr Chan Swee Lean (DC).
>
> She is a widow and is living together with her son who has some medical challenges. She has mortgaged her house to LLS Capital Pte Ltd *to help out during MKY Capital's financial difficulties*. Unfortunately, she was unable to keep up with the monthly payments *due to delays in MKY Capital receiving funds* from an overseas investor. …
>
> [emphasis added]

44 Hence, by Chan's and Wong's corroborative accounts, (a) Chan was a business associate of Wong; (b) the reason underlying the Loan Arrangement was that Chan wanted to borrow monies to help MKY; and (c) the understanding between the parties was that the Loan would be repaid by MKY. This flatly contradicts the Defendants' illegality argument and the Defendants' assertion that the Loan Arrangement was a sham transaction.

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51 Chan Swee Lean's 1st affidavit dated 31 December 2024 at para 5.

52 Chan's 3rd affidavit at p 190.

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45 In fact, *MKY* (through Wong) had actively contacted LLS's and Chan's lawyers regarding the repayment of monies under the Loan Arrangement.[53] For example, on 27 March 2025, Wong sent Yeo the following email:[54]

> **From:** Wong Kee Chet <wongkc@mkycapital.com>
> **Date:** Mar 27, 2025 at 16:39
> **To:** Kenneth Yeo <yeo@fullinkcapital.com>
> **Cc:** Dr Chan Swee Lean <chansweelean@gmail.com>
> **Subject: Dr Chan**
>
> Dear Kenneth,
>
> Our funder has forwarded us an authenticated copy of a MT199 from the sending bank requesting UOB to credit MKY's account and to reply with the time frame for the crediting. We ourselves have also email to UOB Remittance department the copy of this MT199 to ask for the date of crediting of the funds to our account.
>
> We have given a copy of the MT199 to Dr Chan's lawyer and you can ask your lawyers to contact them to sight the MT199. We are in the last stage of receiving our funds to redeem Dr Chan's loan from LLS Capital.
>
> We regret to have put Dr Chan into this situation due to the delay in our funding. We will be most grateful that you can hold your hands on this matter as we will definitely get our funds to redeem her loan.
>
> Your kind consideration would be most appreciated.
>
> Warmest regards

46 It was also *MKY* (through Wong) which had arranged for the Loan Arrangement refinancing scheme with LLS. For example, Wong explained as follows:[55]

> In or around March 2024, the 1st Defendant [*ie*, Chan] needed to refinance the VM Credit Loan, and ***I*** began sourcing for moneylenders who would be willing to provide the funds to do so. ***I*** was eventually put in touch with Kenneth Yeo and the Claimant through a broker … [emphasis added in bold italics]

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53 Wong's affidavit at paras 12−13; Ng's 4th affidavit at p 44.

54 Ng's 4th affidavit at p 44.

55 Wong's affidavit at para 8; See also Wong's affidavit at paras 9−13.

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47 Indeed, it is telling that by her own account, Chan had looked to *MKY* (through Wong) to fully pay for the acquisition of Two Buffalo as the Loan was for MKY's benefit:[56]

> … I called [Wong] and asked him to pay the sum of S$5,000 [for the acquisition of Two Buffalo] *since the monies I was borrowing from [LLS] were for the benefit of [MKY].* [emphasis added]

48 Finally, I give weight to the fact that Chan herself had contemporaneously signed multiple documents confirming that the Loan from LLS was meant for Two Buffalo, including the Business Proposal, the SPA, the DOI and the SD: see [6]−[10] above. In this regard, I reject Chan's claims to the effect that she did not know what she was signing. Such a claim is incredible and unbelievable:

(a) First, as LLS argues,[57] Chan cannot rely on any negligence on her part to read the documents she had signed as a defence: *Oversea-Chinese Banking Corp Ltd v Yeo Hui Keng (Tan Peng Chin LLC, third party)* [2019] 5 SLR 172 at [55(b)] and [103]−[104].

(b) Second, the evidence suggests that Chan *was* aware of the contents in the documents. This can be seen from how: (i) the Business Proposal was in fact sent to Chan beforehand by Wong, her "business associate";[58] (ii) Chan had gotten Wong to pay the $5,000 purchase price under the SPA (see [47] above); and (iii) the DOI was in fact drafted for *Chan*'s benefit on Wong's advice.[59]

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56 Chan's 3rd affidavit at para 12(b).

57 CWS at para 115.

58 Wong's affidavit at para 8.

59 Wong's affidavit at para 10.

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(c) Third, Chan's own lawyers witnessed the signing of the DOI. The SD was also signed in the presence of a Commissioner for Oaths. It is hard to conceive that these legal professionals would have allowed Chan to sign the documents if she genuinely did not know the contents of what she was signing.

(d) Fourth, as LLS highlights, Chan is highly educated and holds a PhD.[60] It would be incredible for her to have made a false statutory declaration, especially since doing so would have exposed her to potential criminal liability.[61]

(e) Fifth, Chan also alleged that her vision was affected by her cataract operation. However, she did not adduce any evidence to prove that her vision was so affected, such that she would not have been able to read the documents clearly. Further, a patient who has undergone a cataract operation will have a better if not perfect vision immediately after the operation. Hence, her eyesight could not have been adversely affected such that she was unable to read the documents.

49 During the hearing, Mr Kang sought to draw a distinction between the VM Credit Loan and the Loan Arrangement. According to Mr Kang, while the VM Credit Loan can fairly be said to have been for MKY's benefit, the same cannot be said for the Loan Arrangement with LLS. This is because the bulk of the Loan Arrangement with LLS was meant to discharge her *personal* liability towards VM Credit. I reject this technical argument, which obfuscates the true arrangement between the parties. As cautioned by the Appellate Division of the

60 CWS at para 116.

61 CWS at para 90.

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High Court in *North Star (AD)* (see [32] above), it is the *substance* of the arrangement which should be looked at. Indeed, save for an insignificant $117.32 (see [11] above), the entirety of the Loan went to Wong, who was Chan's business associate, to be used for the benefit of MKY. There is no doubt that the Loan Arrangement with LLS was meant to benefit MKY, a company controlled by Wong, through Two Buffalo (which Chan, who was Wong's "business associate", controlled).

50 Against such circumstances, it also does not matter that MKY is a different company from Two Buffalo. As the Court of Appeal explained in *Sheagar* (at [85]):

> 85 It was plain to us that the First and Second Loans were in the nature of commercial, as opposed to personal, loans. Taking the Appellant's own case at its highest, *the loans [to BSE] were intended to fund the business operations of the GSH group of companies. This was not a case where the Loans were granted to the Appellant for his own domestic or social expenses* but were then routed through a nominee company to give the appearance of being a commercial loan to a corporation. Moreover, it emerged in the evidence that BSE had been selected because it had the strongest balance sheet in the group. This, in our judgment, was wholly consistent with the Respondent looking to BSE as its primary obligor. [emphasis added]

51 The available evidence thus suggests that the Loan Arrangement was not a sham arrangement designed to circumvent the MA by using Two Buffalo as a façade to mask a personal loan.

(3) The circumstantial evidence adduced by the Defendants do not assist their case

52 At this juncture, I shall turn to address the Defendants' arguments that several pieces of circumstantial evidence support their case. They do not.

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53 First, the Defendants emphasise that Yeo had arranged for Chan to acquire the entire share capital of Two Buffalo a mere five days before the execution of the Loan Arrangement. Two Buffalo was a dormant company, of which Yeo had been a director.[62] In my view, these facts could equally suggest that Yeo had facilitated the sale of Two Buffalo, a company he had prior control of, to Chan *for the purpose* of allowing Chan to run her consultancy business after she obtained the Loan from LLS pursuant to the Loan Arrangement. LLS's account is therefore not contradicted.

54 Second, the Defendants argue that there are a number of discrepancies and/or inconsistencies in the documents signed by Chan. For instance, while the Business Proposal stated that Chan required $2.52m to repay the VM Credit Loan and $180,000 for a consultancy business, the loan sum which was eventually allotted for the business consultancy under the Loan Arrangement was merely $95,000. This is also inconsistent with Chan's SD, wherein she stated that the Loan from LLS was obtained *solely* for Two Buffalo's business use. Further, the Defendants highlight that the Loan Arrangement (which was meant for Chan's personal use) is different from the VM Credit Loan (which was meant for MKY's use).[63] The problem with this line of arguments, as alluded to earlier (at [49]−[50]), is that the inconsistencies highlighted do not detract from the fact that the evidence suggests that the Loan Arrangement was *substantively* meant to benefit MKY, a company, which was controlled by Wong, who was Chan's business associate. From the evidence, there is no illegality with such an arrangement.

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62 DWS at paras 25(a) and (b).

63 DWS at paras 25(c)−(f).

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55 Third, the Defendants argue that it made no commercial sense for Chan to have taken on a burden of a $2.8m loan under the Loan Arrangement when only $95,000 would be made available for its alleged use towards Chan's consultancy business. The situation would have become especially curious when Chan purported to close the UOB Account after withdrawing the full loan sum. Further, the Defendants argue that Chan had no prior experience running a business as she was merely an academic at a university.[64] However, these arguments do not assist the Defendants. As mentioned in the preceding paragraph, the "commercial sense" in the Loan Arrangement lies in the fact that the Loan was ultimately for MKY's benefit, which LLS probably knew about given Wong's active involvement in procuring the Loan Arrangement from LLS (see [46] above). From Yeo's perspective, while Chan might have wanted to close the UOB Account, he saw it apt to recommend an alternative bank to Chan with which to open Two Buffalo's corporate account, which would assuage Chan's concerns pertaining to the minimum monthly balance (see [39] above).

56 The circumstantial evidence raised by the Defendants does not indicate that the Loan Arrangement was illegal. There was in fact no illegality in the Loan Arrangement.

(4) Summary

57 For the foregoing reasons, the Defendants' arguments premised on any illegality of the Loan Arrangement fail, and there would be no injustice occasioned if ORC 619 is allowed to stand: see [27] above. Given this, the second and third issues (see [24] above) are rendered moot.

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64 DWS at paras 25(g)−(i); Chan's 4th affidavit at para 9.

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Extension of time to lodge an appeal

58 In any event, for reasons which will become evident in the next section, an extension of time for the Defendants to appeal against the decision in ORC 619 would be inappropriate. In *Tan Heng Khoon (trading as 360 VR Cars) v Wang Shing He* [2024] SGHC 243, the High Court held (at [11]) that the focus of the inquiry of whether an extension of time to file an appeal should be granted tends to be on the factors of: (a) the length of the delay; and (b) the reasons for the delay.

Procedural irregularities

59 A further factor militating against the grant of the Defendants' application in SUM 1733 is that it is laden with procedural irregularities.

60 First, SUM 1733 was taken out pursuant to the court's directions at the hearing for SUM 1629, which was only filed on 11 June 2025, some five months after the order underlying ORC 619 was granted on 20 January 2025, and more than four months after ORC 619 was extracted on 4 February 2025 (see [13] above). Such a period of delay is unacceptable. In *Sun Yongjian and another v Goh Seng Heng* [2025] SGHC 47 ("*Sun Yongjian*"), the High Court refused to set aside the default judgment even though it found that the defendant had a *prima facie* defence against the claim (*Sun Yongjian* at [77]). This was because there was a "glaring gap" of well over seven months when the defendant remained inactive and for which no explanation was provided (*Sun Yongjian* at [73]). As LLS also highlights,[65] the defendant there was self-represented. In contrast, Chan was represented at all material times. Her delay of four to five months would thus be all the more unacceptable.

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65 CWS at para 65.

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61 Second, the illegality issue was never raised in OA 1177, even though it obviously should have been if the Defendants indeed believed that the Loan Arrangement was illegal, given how material it was in those proceedings. I therefore see the force in LLS's argument that SUM 1733 is an abuse of process.[66] In this regard, the following authorities are instructive:

(a) In *Lim Oon Kuin and others v Rajah & Tann Singapore LLP and other appeals* [2024] 2 SLR 654, the Court of Appeal reiterated (at [25]) that the doctrine of abuse of process as espoused in *Henderson v Henderson* (1843) 3 Hare 100 bars parties from raising issues at later stages of the same proceedings which could and should have been raised at the merits stage (where a judicial determination was already made). Here, the Defendants could and should have raised the illegality defence at the substantive hearing of OA 1177.

(b) In *WBG Network (S) Pte Ltd v Sunny Daisy Ltd* [2007] 1 SLR(R) 1133 ("*WBG Network*"), the Court of Appeal held (at [14]) that a party wishing to adduce further evidence before the judge in chambers in cases where the hearing at first instance did not possess the characteristics of a trial might still have to persuade the judge hearing the matter that he had overcome all three requirements of *Ladd v Marshall* [1954] 1 WLR 1489 ("*Ladd v Marshall*") if he were to entertain any hope of admitting the further evidence. This is because the judge is entitled, though not obliged, to employ the conditions of *Ladd v Marshall* to help him decide whether to exercise his discretion to admit the further evidence. In SUM 1733, the Defendants are effectively seeking to admit new evidence into the proceedings. However, I am

[66] See CWS at para 6.

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> unable to see how the new evidence sought to be admitted by the Defendants satisfies the *Ladd v Marshall* conditions, as the Defendants have not shown that: (a) the evidence could not have been obtained with reasonable diligence during the previous proceedings; (b) the evidence would have an important influence on the result of the case; and (c) the evidence is apparently credible: *WBG Network* at [10].

62 The Defendants explain that their lawyers had only discovered the potential illegality of the Loan Arrangement subsequently on 22 May 2025 (see [19] above), and wasted no time filing SUM 1629 thereafter.[67] They also explain that they did not possess the material documents exhibited in LLS's fourth affidavit (see [20] above) when they filed SUM 1629,[68] and, relatedly, that Chan does not recall signing those documents (see [9]−[10] above). I reject these arguments. It surely cannot be right that an ill-advised party (or a party who had instructed her counsel poorly) should be allowed to re-litigate a matter.

63 The rampant procedural irregularities in SUM 1733 therefore buttress my decision to dismiss it.

Whether ORC 3351 should be set aside

64 I now turn to LLS's application to set aside ORC 3351. In *Leong Quee Ching Karen v Lim Soon Huat and others* [2024] 4 SLR 862, the High Court reiterated (at [18] and [42]) the generally applicable test for interim injunctions:

> (a) there must be a serious question to be tried; and

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67 DWS at para 47.

68 DWS at para 64.

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(b) the balance of convenience must lie in favouring the grant of the injunction. Relevant factors at the second stage include the risk of irreparable damage and the potential hardship an injunction may bring to the party enjoined.

This general rule is based on the fundamental principle that the court should take whichever course appears to carry the lower risk of injustice to the parties.

65 In the present case, there is, for reasons set out in the preceding section (at [34]−[56] above) and as LLS argues,[69] no serious issue to be tried. The issue raised by the Defendants, that the Loan Arrangement was a sham designed to allow LLS to circumvent the MA to effectively extend a personal loan to Chan, is simply untenable.

66 Further, I observe for completeness that the balance of convenience lies in favour of discharging the injunction. The Property is *already* sold, presumably, to a *bona fide* purchaser for value without knowledge of the alleged illegality in the Loan Arrangement. As mentioned earlier (see [14] above), SUM 1629 was filed just two days before legal completion of the sale. It is therefore doubtful if Chan would be able to reclaim title to the Property *even if* my decision to discharge the injunction turns out to be wrong.

67 In this regard, under Singapore law, a vendor-purchaser constructive trust arises the moment the contract for sale of land is enforceable and binding. Thus, the vendor holds the property on trust for the purchaser: *Cheng-Wong Mei Ling Theresa v Oei Hong Leong* [2006] 2 SLR(R) 637 at [15]−[16]. Effectively, this means that the beneficial ownership in the property passes to the purchaser.

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[69] CWS at para 91.

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Should the vendor default on its contractual obligations under the sale and purchase agreement, specific performance has traditionally been the default and appropriate remedy: *Wong Chee Siong and another v Tan Boon Hwa and another* [2010] SGHC 222 at [20]. Further, a *bona fide* purchaser for value of a legal interest without notice of a prior equitable interest takes free of that equitable interest: *EFG Bank AG, Singapore Branch v Surewin Worldwide Ltd and others* [2022] 5 SLR 915 at [165]. It thus stands to reason that, should my decision to discharge the interim injunction turn out to be wrong, Chan will probably still lose the Property (although she might be granted other forms of relief such as damages).

68 I am thus unable to accept the Defendants' argument that Chan would suffer "serious prejudice" if LLS was allowed to sell the Property pursuant to ORC 619.[70] The risk of irreparable damage is overstated.

69 Moreover, as Mr Balasubramaniam highlighted during the hearing, Two Buffalo owes LLS a very large sum of monies, and significant late payment interest continues to accrue daily. To sustain the injunction would therefore bring with it the risk of causing hardship to LLS. For these reasons, the balance of convenience lies in discharging ORC 3351. Accordingly, SUM 2095 is allowed.

70 For completeness, I note that LLS also alleges that the Defendants have not made full and frank disclosure in SUM 1629. Specifically, it alleges that they did not disclose the documents which Chan had previously signed (see [6]−[8] above), which are material to the application.[71] It further argues that

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[70] DWS at para 47.

[71] CWS at paras 104 and 123.

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"disclosure was made in a perfunctory manner" in SUM 1629.[72] Conversely, the Defendants argue that the earlier-mentioned documents were not in their possession at the time of filing SUM 1629. More broadly, they also argue that any non-disclosures made were not deliberate.[73]

71 I agree with LLS. As earlier alluded to (see [48] above), the evidence suggests that Chan *was* aware of the documents which she had signed. These documents are critical and adverse to her application. The existential basis of SUM 1629 for an interim injunction was the illegality of the Loan Arrangement. However, these documents suggesting otherwise were not disclosed. If full and frank disclosure was made at the hearing of SUM 1629, the unfavourable evidence would have significantly weakened the Defendants' case and the court might not have granted them the interim injunction despite the hearing having proceeded on an *ex parte* basis. This further favours the granting of SUM 2095.

Conclusion

72 In conclusion, I find that not all of the relevant circumstances pertaining to the alleged illegality underlying the Loan Arrangement are before this court. Such circumstances were also not raised by the Defendants in OA 1177. Further, the Loan Arrangement is not *ex facie* illegal. The foundational allegation of illegality of the Loan Arrangement came suddenly and solely from the Defendants when LLS was on the verge of completing the sale of the Property. Chan's affidavit evidence is highly unsatisfactory as there are serious contradictions in the events.

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72 CWS at para 125.

73 DWS at paras 64 and 66−67; see also DWS at para 69.

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73 Applying the four propositions canvassed in *Edler*, the present case is distinguishable from *North Star (AD)*, and the court should not make any finding of illegality. Furthermore, the available evidence suggests that the Loan Arrangement was not an illegal sham designed to circumvent the MA. SUM 1733 is also ridden with procedural irregularities. I therefore dismiss SUM 1733.

74 As for SUM 2095, I grant the application and set aside ORC 3351, *ie*, the interim injunction. There is no serious question to be tried, and the balance of convenience lies in discharging the injunction in any event. Further, the Defendants did not make full and frank disclosure in SUM 1629, under which ORC 3351 was granted.

75 I shall now hear parties on costs.

Tan Siong Thye
Senior Judge

Balasubramaniam Ernest Yogarajah (UniLegal LLC) for the claimant;
Derek Kang Yu Hsien and Hui Kwai Weng, Jonathan (Cairnhill Law LLC) for the first and second defendants.

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