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

[2025] SGHC 226

District Court Appeal No 25 of 2024

Between

Liau Beng Chye

… *Appellant*

And

Chua Wei Jiea (Cai Weijie)

… *Respondent*

District Court Appeal No 26 of 2024

Between

(1) Liau Wizardson
(2) Liau Weisheng Rizza

… *Appellants*

And

Chua Wei Jiea (Cai Weijie)

… *Respondent*

In the matter of District Court Originating Claim No 615 of 2023

Between

Chua Wei Jiea (Cai Weijie)

… *Claimant*

And

(1) Liau Beng Chye
(2) Erna Jasum@Mrs Erna Jasum Liau
(3) Liau Wizardson
(4) Liau Nanda Astary
(5) Liau Weisheng Rizza

… *Defendants*

JUDGMENT

[Civil Procedure — Appeals — Re-trial]
[Landlord and Tenant — Recovery of possession — Holding over]
[Contract — Illegality and public policy — Statutory illegality]
[Contract — Breach — Joint and several liability]

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Liau Beng Chye
v
Chua Wei Jiea and another appeal

[2025] SGHC 226

General Division of the High Court — District Court Appeal Nos 25 and 26 of 2024
Philip Jeyaretnam J
20 May, 27 October 2025

14 November 2025 Judgment reserved.

Philip Jeyaretnam J:

1 These are the appeals of three of the defendants in DC/OC 615/2023 ("OC 615") against the decision of the learned District Judge ("DJ") in favour of the claimant after trial.

2 The appellant in HC/DCA 25/2024 ("DCA 25") is Liau Beng Chye, the first defendant in OC 615 ("Mr Liau"). The second defendant ("D2") is his wife.

3 The appellants in HC/DCA 26/2024 ("DCA 26") are Liau Wizardson and Liau Weisheng Rizza, the third and fifth defendants in OC 615 ("D3" and

"D5" respectively). They, along with the fourth defendant, are the children of Mr Liau and D2.

4 The respondent in both appeals is Chua Wei Jiea ("Mr Chua"), the claimant in OC 615.

5 Mr Liau and D2 were originally the owners of a residential property ("Home") since 1997. Around 2010 and 2011, Mr Liau borrowed $250,000 from Mr Chua's moneylending company, SME Care Pte Ltd ("SME") at very high interest rates.[1] Mr Liau was unable to repay the loan. By 28 September 2015, the amount outstanding was $3,056,606.58 according to the statement of account issued by SME.[2] This was due to the accumulation of interest.

6 Consequently, sometime in July 2016, the Home was sold to Mr Chua for $2.1m pursuant to an agreement between Mr Liau and Mr Chua in order to reduce what Mr Liau was claimed to owe SME.[3] Mr Liau appears to have believed he had a right to buy back the Home if he was able to settle his indebtedness to SME, on which interest continued to accrue. SME issued a statement dated 10 April 2021 purporting to show that the indebtedness by then had mounted to $21,273,813.54.[4]

7 The defendants were permitted to continue to occupy the Home notwithstanding the transfer of title to Mr Chua. This appears to have been on the basis of a lease for the initial rent of $7,000 per month, and later for $8,500

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1 Appellant's (D1) Core Bundle ("D1CB") at pp 30–31, 34 and 40.

2 D1CB at p 42.

3 Record of Appeal Vol 3B in DCA 25 ("RA3B (DCA 25)") at p 19 (D3's AEIC at para 6).

4 D1CB at p 44.

per month.[5] On 1 December 2021, 1 May 2022 and 1 October 2022, Mr Chua and the defendants entered into three separate tenancy agreements for the Home ("1st TA", "2nd TA" and "3rd TA" respectively, and "TAs" collectively). The 3rd TA was for a term of three months until 31 December 2022, and was signed by Mr Chua, Mr Liau, D3 and D5.[6]

8 Clause 5.26 of the 3rd TA required the defendants to "peaceably and quietly deliver up to [Mr Chua] [the Home] in a good and tenantable state" at the expiration of the term of the tenancy.[7]

9 Clause 1.7 of the 3rd TA stipulated that where there were multiple tenants, the terms of the agreement "shall be binding on and applicable to them jointly and each of them severally".[8]

10 By 31 December 2022, D2, D3 and D5 had moved out of the Home, but Mr Liau still remained at the Home thereafter.[9]

Parties' cases below

11 In OC 615, Mr Chua sought:[10]

(a) a declaration that the 3rd TA had expired;

(b) possession of the Home;

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5 RA3B (DCA 25) at pp 19–20 (D3's AEIC para 7).

6 RA3B (DCA 25) at p 20 (D3's AEIC at para 9).

7 D1CB at p 25.

8 D1CB at p 20.

9 RA3B (DCA 25) at p 28 (D3's AEIC at para 25).

10 GD at [11]; Record of Appeal Vol 2 in DCA 25 ("RA2 (DCA 25)") at pp 13–15 (SOC at para 14).

(c) double rent pursuant to s 28(4) of the Civil Law Act 1909 (2020 Rev Ed) ("CLA") for the period the defendants held over the Home until delivering possession ("Holdover Period"), or in the alternative, damages to be assessed;

(d) contractual interest of 12% per annum on the double rent or damages; and

(e) costs on a full indemnity basis.

12 Mr Chua initially also claimed for rent arrears but discontinued these claims by the time of trial since they had been paid (see Grounds of Decision ("GD") at [9]).

13 Mr Liau, who was self-represented at the trial below, pleaded that Mr Chua, being the director of a moneylending company, only became the owner of the Home in a "tainted transaction" pursuant to a global settlement of the loan of $250,000 on or around 20 July 2016.[11]

14 D3 and D5 pleaded that they had moved out of the Home on or before 31 December 2022, and therefore were not jointly and severally liable for any rent payable thereafter or for damages.[12]

The decision below

15 The learned DJ found that Mr Liau, D3 and D5 had breached cl 5.26 of the 3rd TA, by failing to deliver vacant possession of the Home to Mr Chua (GD at [16]–[19]). Even if D3 and D5 had moved out, they remained jointly and

[11] GD at [12]; RA2 (DCA 25) at p 18 (D1's Defence at para 2.1).

[12] GD at [13]; RA2 (DCA 25) at pp 31–33 (D2, D3 and D5's Defence at paras 24–25).

severally liable for Mr Liau's breach pursuant to cl 1.7 of the 3rd TA (GD at [20]–[21]).

16 The learned DJ found no merit in Mr Liau's defence that Mr Chua had acquired the Home in a "tainted transaction", since the moneylending company had not been joined as a party to the action, and Mr Liau had not filed a counterclaim for a declaration that Mr Chua's acquisition of the Home was illegal (GD at [33]–[37]).

17 The learned DJ ordered that Mr Chua was entitled to vacant possession of the Home, damages of $8,500 per month against Mr Liau, D3 and D5 jointly and severally for the Holdover Period, an additional sum of $8,500 per month against Mr Liau for the Holdover Period pursuant to s 28(4) of the CLA, and pre-judgment interest of 5.33% per annum on those judgment sums, capped at the District Court limit (*ie*, $250,000) (GD at [60]–[61]).

DCA 25

18 Mr Liau now appeals on the following grounds:[13]

(a) The learned DJ wrongly disallowed Mr Liau's defence that the claim was tainted by illegality and therefore not enforceable.

(b) The 3rd TA was inchoate because not all the defendants signed it.[14]

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13 Appellant's (D1) Case ("D1C") at paras 5–6.

14 D1C at para 15.

(c) The 3rd TA is void for uncertainty as there is a contradiction in the wording concerning the duration and term of the lease.[15]

(d) Instead, a month-to-month tenancy operated, and since a proper notice to quit was not served on Mr Liau to determine the monthly tenancy, the damages awarded against Mr Liau should be set aside.

19 Mr Liau asks that:[16]

(a) the GD be set aside, and the matter remitted back for a re-trial;

(b) further or alternatively, there be a variation of the GD, such that the 'double rent' portion of the learned DJ's order (at $8,500 a month from 1 January 2023) be cancelled.

20 Mr Liau submits that the action should be remitted for a re-trial on the basis that his substantive defence of the claim being tainted by illegality was not allowed to proceed, occasioning a miscarriage of justice.[17]

21 The court's power to order a new trial is governed by O 19 r 7(6) of the Rules of Court 2021 ("ROC 2021"), which stipulates that the appellate court "may order a new trial only if substantial injustice will be caused otherwise". As to what constitutes substantial injustice, it may not be possible to formulate anything useful, and it may be inexpedient to make an attempt to do so; each case must turn on its own facts (*Basil Anthony Herman v Premier Security Co-operative Ltd* [2010] 3 SLR 110 ("*Basil Anthony*") at [54], citing *George Bray v John Rawlinson Ford* [1896] AC 44 at 50). Nevertheless, some "very general

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15 D1C at para 28.

16 D1C at para 44.

17 D1C at paras 5(1) and 6(1).

guidelines" may be identified (*Basil Anthony* at [54], citing *Ku Chiu Chung Woody v Tang Tin Sung* [2003] HKEC 727 at [24]):

(a) First, the appellate court should identify some error that has taken place.

(b) Second, the appellate court should determine if the error deprived the party complaining of it of a substantial and realistic chance of success in the case, and only order a new trial if so.

(c) Third, the appellate court retains a discretion as to whether to order a re-trial, and will do so not only where it is just but where it is right to do so.

22 In the present case, Mr Liau submits that there is evidence of illegality on the face of the documents.[18] This includes exorbitant interest rates of 4% per month (48% per annum) and late payment interest of 8% per month (96% per annum) and late payment processing fees of $2,500 per month in the initial loan facility of 2010.[19] As a result, Mr Liau's debt grew from an initial sum of $250,000 in 2010 to about $21m by 2021.[20] Mr Liau now seeks to unwind all these transactions.[21]

23 In response, Mr Chua prays in aid the four well-known propositions in *Edler v Auerbach* [1950] 1 KB 359 ("*Edler*") at 371:

(a) First, where a contract is *ex facie* illegal, the court will not enforce it, whether the illegality is pleaded or not;

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18 D1C at para 7.

19 D1C at para 7(1); D1CB at p 30.

20 D1C at para 7(2).

21 Minutes (20 May 2025) at p 2.

(b) Second, 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;

(c) Third, where unpleaded facts, which taken by themselves show an illegal object, have been revealed in evidence, the court should not act on them unless it is satisfied that the whole of the relevant circumstances are before it; and

(d) Fourth, 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.

24 Mr Chua submits that there was no *ex facie* illegality in the initial loan transactions, in the transfer of the Home from the defendants to Mr Chua, or in the subsequent TAs, under which Mr Chua has brought his claim.[22] If Mr Liau argues that the TAs and the transfer of the Home were entered into to further the illegal object of enabling payment of excessive interest charges under the loan agreements, Mr Chua submits that the court does not have the whole of the relevant circumstances before it. In particular, the court does not have SME's explanation for the interest charges.[23]

25 At the hearing, I asked counsel for Mr Liau to outline his intended counterclaim, so that I could assess if it had a realistic chance of success.[24]

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22 Letter to court from Tan Kim Seng & Partners dated 27 October 2025 at paras 4–6.

23 Letter to court from Tan Kim Seng & Partners dated 27 October 2025 at para 9.

24 Minutes (20 May 2025) at p 2.

Counsel for Mr Liau requested, and I granted, an adjournment for him to tender a draft amended defence and counterclaim.

26 Mr Liau's draft Defence and Counterclaim (Amendment No 1) advances two fresh defences, namely that (a) the three TAs are a sham, and that (b) the moneylending company and Mr Chua are estopped from going back on various representations, including not to evict Mr Liau and his family, or claim double rent and the purported loan debts.[25] Mr Liau also seeks to advance counterclaims including the re-opening and reviewing of the loan facilities under s 37 of the Moneylenders Act 2008 (2020 Rev Ed) ("MLA") (or its predecessor); fraudulent misrepresentation, deceit or breach of statutory duties; mistake; and unjust enrichment.[26] These counterclaims (save that for unjust enrichment) are brought against both the moneylending company and Mr Chua.

27 In my judgment, the matters pleaded do have a substantial and reasonable prospect of success. I also consider that it is just and right to order a re-trial. In my judgment, it shocks the conscience that borrowing $250,000 has led to Mr Liau being indebted (according to SME) – through the accumulation of interest and so-called late payment fees – in the tens of millions. How Mr Liau came to sell the Home to Mr Chua, SME's director, and became Mr Chua's tenant is a matter that should be investigated. Even if Mr Chua is correct that under s 37 of the MLA, Mr Liau would only be able to obtain repayment of the

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[25] Draft Defence and Counterclaim (Amendment No. 1) at paras 9 and 14.

[26] Draft Defence and Counterclaim (Amendment No. 1) at paras 20–41.

excessive interest and not avoid the *loan agreements*,[27] I note that Mr Liau is seeking to impugn the *TAs*, and has also raised other grounds for doing so.

28 The difficulty that Mr Liau faces in relation to his application for a re-trial concerns whether there was an error below, or as Mr Chua contends, Mr Liau was the author of his own misfortune, including by failing to take steps to join SME as a party.[28]

29 In one sense, it is hard to describe the learned DJ's decision as an error. He was faced by a self-represented person who did not make his arguments clearly. However, notwithstanding this lack of clear argument, it should have been obvious on the face of the documents provided to the court that there were matters concerning the circumstances under which the 3rd TA was executed that required investigation. This included potential illegality. It is worth recalling that when it comes to illegality, the court may in appropriate circumstances investigate it even when it is not pleaded (see *Ting Siew May v Boon Lay Choo* [2014] 3 SLR 609 at [29], which was more recently applied in *North Star (S) Capital Pte Ltd v Yip Fook Meng* [2022] 1 SLR 677). Here, it was pleaded by Mr Liau and he only failed to take steps to join SME.

30 On the facts of this case, it is also clear that Mr Chua is very much involved in SME. SME appears to be a family business of moneylending as its directors are Mr Chua and his father. A company can only act through natural

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27 Letter to court from Tan Kim Seng & Partners dated 27 October 2025 at para 6.

28 Letter to court from Tan Kim Seng & Partners dated 26 June 2025 at para 17.

persons. Mr Chua's knowledge on matters relevant to SME, such as the allegations made by Mr Liau that concerned SME, can be imputed to SME.

31 I do not think that it is necessary, or indeed appropriate, for me to make a finding that the TAs were *ex facie* illegal or illegal considering all the circumstances, as Mr Chua seems to suggest I need to. That would be a finding for the trial judge to make or reject, having considered all the evidence. It also does not lie with Mr Chua to say that this court does not have the full facts before it, and in particular SME's explanation for the loan agreements, in order to oppose a re-trial where SME will be joined for the very purpose of providing that explanation in its defence (if any). The *Edler* propositions guide the court in making findings of illegality of its own motion at trial. The considerations are different when the appellate court is considering whether to order a re-trial. At this stage, I must consider whether it is just and right to do so, given that the trial judge could have, and in my view should have, considered the issue of illegality and the possibility of a joinder if that was necessary.

32 In these circumstances, while there may not strictly have been an error on the part of the learned DJ in not inviting Mr Liau to amend his pleadings to join SME, and instead dismissing the defence on the ground that SME had not been joined to the counterclaim, this is a case where if the facts narrated by Mr Liau are true, the TAs are indeed tainted by illegality and the court should not enforce them. Thus, the proper course of action is for this court on appeal to direct a re-trial so that the issue of illegality can be properly investigated. In thus concluding, I pay heed to the admonition of the Court of Appeal in *Basil Anthony* at [26] that the court "must look beyond the mechanical application of … rules and decisions, and carefully assess the interests at stake in every case

to ensure that a *fair* outcome is reached through the application of *fair* processes" [emphasis in original].

33 One final objection that Mr Chua has raised is that Mr Liau has failed to join his wife, D2, in the proposed counterclaim.[29] This is necessary because Mr Liau's proposed counterclaim contains a prayer for a declaration that the transfer of the Home to Mr Chua be rescinded, and its title and registration reverted to Mr Liau *and his wife, D2*, as well as for payments made under the purported TAs to be refunded to both of them.[30] I invited counsel for Mr Liau to comment on whether D2 would be joined to the intended counterclaim.[31] Mr Liau's counsel has agreed that she has to be formally joined and sought permission to do so.[32] As this will clearly be necessary for a re-trial to proceed on the proposed counterclaim, I grant Mr Liau permission to join D2 as a claimant and amend the proposed counterclaim to reflect that joinder. Mr Chua has also said that it will be necessary to join the Central Provident Fund Board ("CPF Board") to the counterclaim as it received some of the proceeds from the sale of the Home,[33] and I grant Mr Liau permission to do so as well.

34 As I have decided that there must be a re-trial, I do not consider the other grounds of appeal.

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29 Letter to court from Tan Kim Seng & Partners dated 26 June 2025 at para 18.

30 Draft Defence and Counterclaim (Amendment No. 1) at p 27, prayer (2).

31 Correspondence from courts dated 2 October 2025 at para 2(b).

32 Appellant's (D1) Further Skeletal Submissions dated 8 October 2025 at para 14.

33 Letter to court from Tan Kim Seng & Partners dated 27 October 2025 at para 10.

DCA 26

35 I can deal with DCA 26 very simply. I do so on the assumption that the 3rd TA is valid and enforceable. Essentially, notwithstanding that D3 and D5 had moved out, the learned DJ held them liable in damages for the failure to yield up the Home pursuant to cl 5.26, and even if that clause only applied to the tenant holding over the Home, they were liable by virtue of cl 1.7, which describes the obligations under the 3rd TA as joint and several. In short, it was held that by virtue of the 3rd TA, the sons had agreed to be their father's keeper. However, the learned DJ dismissed the claim against them for double rent because they had not remained in the Home and so s 28(4) of the CLA did not apply to them (GD at [43]–[46]). There is no appeal from this decision.

36 There were many points canvassed by D3 and D5's counsel on appeal that had force to them. However, the simplest point in their favour arises from the fact that Mr Chua had elected to seek double rent. Even in a WhatsApp message to D5 on 1 January 2023, he asserted his right to double rent.[34] He was granted this remedy by the learned DJ albeit against Mr Liau only. There is no room to "mix and match" the award of double rent with an award of damages for failure to yield up. In this case, this was done by awarding half double rent plus damages fixed at the monthly rental, and then making D3 and D5 jointly and severally liable with Mr Liau for those damages. The award of double rent

[34] D1CB at p 52.

obviates the need to prove loss. It is an alternative to a claim for damages. It cannot be granted together with damages for failure to yield up.

Conclusion

37 I allow both appeals, set aside the judgment below and order a re-trial on the basis of the draft Defence and Counterclaim (Amendment No 1) which was sent to court under cover of Mr Liau's solicitors' letter to court dated 19 June 2025, subject to the joinder of D2 and the CPF Board as mentioned at [33] above. Mr Liau and his sons are entitled to the costs of their respective appeals, which have succeeded. If costs cannot be agreed within 14 days, I will hear counsel on the quantum of costs.

Philip Jeyaretnam
Judge of the High Court

Lei Chee Kong Thomas (Lawrence Chua Practice LLC) for the appellant in HC/DCA 25/2024;
Lee Yi Wei Sean, Robert Raj Joseph, and Madelene Yu Rwei Yi (Silvester Legal LLC) for the appellants in HC/DCA 26/2024;
Moe Peter and Fan Kin Ning (Tan Kim Seng & Partners) for the respondent in HC/DCA 25/2024 and HC/DCA 26/2024.