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

[2025] SGHC 261

Originating Claim No 253 of 2024

Between

JS Film Investment Pty Ltd

… *Claimant*

And

(1) Yao Liang
(2) Yao Yilun
(3) Yaoo Capital Pte Ltd

… *Defendants*

Counterclaim of 1st and 3rd Defendants

Between

(1) Yao Liang
(2) Yaoo Capital Pte Ltd

… *Claimants in Counterclaim*

And

JS Film Investment Pty Ltd

… *Defendant in Counterclaim*

JUDGMENT

[Contracts — Terms — Discharge of loan obligation]

JS Film Investment Pty Ltd
v
Yao Liang and others

[2025] SGHC 261

General Division of the High Court — Originating Claim No 253 of 2024
Choo Han Teck J
18 November, 17 December 2025

24 December 2025 Judgment reserved.

Choo Han Teck J:

1 JS Film Investment Pty Ltd is an Australian-registered company, and the Claimant in HC/OC 253/2025 ("OC 253"). Mr Yao Liang, the 1st Defendant, is a director and shareholder of Yaoo Capital, the 3rd Defendant. Mr Yao Yilun, the 2nd Defendant, is also a director and shareholder of the 3rd Defendant. However, the Claimants have discontinued the matter against him.

2 On 30 September 2019, the parties entered into three agreements:

(a) Loan Agreement;

(b) Option to Purchase Shares; and

(c) Implementation Deed.

(Collectively, the "Agreements")

Taken together, by the three Agreements parties agree that the Claimant would lend S$4.5 million, with agreed interest, to the Defendants, and that the Claimant would have the option to convert this loan to 4.5 billion shares in LionGold Corp Ltd ("LionGold").

3 At some point, the parties entered into a Share Sale Agreement, for the 3rd Defendant to transfer 4.5 billion shares in LionGold to the Claimant. The Share Sale Agreement was signed by both the 1st Defendant and Mr Li Xu, a director and shareholder of the Claimant. However, the circumstances of the signing of this Share Sale Agreement are in dispute. The Claimant's case is that it was signed by mistake on the same day as the other Agreements (*ie*, 30 September 2019). The Defendants' case is that it was signed on a later date to effect the valid exercise of the Option to Purchase Shares. These points are further elaborated at [9] and [10] below.

4 On 15 October 2019 and 22 October 2019, the Claimant transferred a total sum of AUD4,950,000, which is approximately S$4,500,000, to the 1st Defendant. Subsequently, on 31 October 2019, the 3rd Defendant completed its acquisition of 23 billion shares in LionGold, and the 1st Defendant personally handed over the 3rd Defendant's official share certificate for 5 billion shares in LionGold to Mr Li Xu. Mr Li Xu wrote his acknowledgement in Chinese on the original share certificate and signed it in the name of "JS International holdings".

5 On 5 December 2019, Mr Li Xu and the 1st Defendant executed a share transfer form to transfer the 5 billion shares in LionGold to Sheng Investment (the "Transfer"). On 18 December 2019, the 3rd Defendant submitted a notification form to the Singapore Exchange recording the 3rd Defendant's disposal of 5 billion shares in LionGold.

6 On 26 March 2024, the Claimant wrote to the Defendants demanding the payment of the debt due under the Loan Agreement. The Defendants did not reply because they believed that the Transfer to Sheng Investment had discharged their obligations under the Loan Agreement ("Loan Obligation"). The central issue in this trial is whether the Transfer discharged the Loan Obligation. The Claimant's case is that the Transfer was to a different company with different shareholders and was not to discharge the Loan Obligation.

7 The Defendants' case is that a director of the Claimant at the time the Agreements were entered into, Mr Cheung, a former director and former majority owner of the Claimant, agreed with the Defendants to acquire shares in LionGold through the Defendants. Under this agreement, the Claimant, being Mr Cheung's investment company, would lend money to the Defendants to acquire shares in LionGold on the Claimant's behalf. Further, the Defendants counterclaim against the Claimant for S$500,000 for the additional 0.5 billion shares in LionGold that have not been paid. The Claimant says that the Defendants' case is not supported by contemporaneous documentary evidence.

8 In my view, there is evidence supporting the Defendants' case. The evidence shows that the Transfer was not part of a separate transaction, but in discharge of the Loan Obligation.

9 Firstly, the Claimant's case is that there was no exercise of the Option to Purchase Shares at all, and the Share Sale Agreement was signed by Mr Li Xu by mistake. I find Mr Li Xu's explanation that he signed the Share Sale Agreement by mistake to be dubious. He testified that he inadvertently signed the Share Sale Agreement because it was part of a package with all the Agreements. However, that explanation is inconsistent with the method in which the other Agreements were signed. The other Agreements had all been

signed by Mr Cheung. If the Share Sale Agreement was signed on the same occasion as the other Agreements, Mr Cheung would also have signed the Share Sale Agreement, but he did not. Furthermore, the Agreements were all hand-dated "30 September 2019", whereas the Share Sale Agreement was not dated. This again points to the fact that the Share Sale Agreement was not signed on the same occasion as the other Agreements. In my view, this was a belated attempt by Mr Li Xu to explain his signature on the Share Sale Agreement. This is especially so because this argument does not appear in the Claimant's Statement of Claim and Defence to Counterclaim and only appears for the first time in Mr Li Xu's Affidavit of Evidence-in-Chief.

10 I find that the Share Sale Agreement was not signed by mistake. The undisputed fact is that the Share Sale Agreement was signed by both the 1st Defendant and Mr Li Xu. At paragraph F, G and H of the recitals to the Share Sale Agreement, it states:

> F. The [3rd Defendant] has granted an option to the [Claimant] to receive 4.5 billion ordinary shares of the Company from the Vendor in exchange for discharging the [Loan Obligation] of the [1st and 2nd Defendants] under Clause 3 of the Loan Agreement to the [Claimant].
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> G. The [Claimant] has exercised the option to receive 4.5 billion ordinary shares of [LionGold] from the [3rd Defendant] in exchange for discharging the [Loan Obligation] of the [1st and 2nd Defendants] under Clause 3 of the Loan Agreement to the [Claimant].
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> H. Pursuant to the [Option to Purchase Shares], the [3rd Defendant] will transfer to the [Claimant] 4.5 billion ordinary shares of [LionGold] in exchange for discharging the repayment obligations of the [1st and 2nd Defendants] under Clause 3 of the Loan Agreement to complete the Transfer of Shares in respect of the Option Shares upon the terms of this Share Sale Agreement.

Therefore, the parties proceeded on the basis that the Option to Purchase Shares had been exercised and that the Loan Obligation would be discharged upon transfer of shares to the Claimant.

11 Counsel for the Claimant now argue that the transfer was part of a separate transaction and not in discharge of the Loan Obligation because the shares in LionGold were eventually transferred to Sheng Investment, and not the Claimant (as required in the Share Sale Agreement). However, I find that this argument runs contrary to the evidence.

12 Fundamentally, there was no good reason why the Defendants would transfer the shares to Sheng Investment. The more probable explanation is that the Claimant directed the 1st Defendant to transfer the LionGold shares to Sheng Investment as a valid discharge of the Loan Obligation owed to the Claimant. Mr Li Xu asserts that the Transfer to Sheng Investment was part of another transaction. However, he, as a director of Sheng Investment, did not adduce any agreement or other evidence in Sheng Investment's custody or possession regarding this other transaction. For example, there is no evidence of consideration passing from Sheng Investment to the Defendants.

13 Furthermore, Mr Li Xu received the original share certificate and signed in the name of "JS International Holdings", which, by name, appears to be a related company to the Claimant. In contrast, JS International Holdings has no relation to Sheng Investment at all. It is neither its parent company nor a subsidiary. This was confirmed by Mr Li Xu when questioned at trial. Mr Li Xu would not have signed in the name of "JS International Holdings" if the Transfer to Sheng Investment was indeed part of a separate transaction.

14 Overall, the circumstances of the transaction and commercial logic support the Defendants' case, whereas the Claimant has no good response other than to allege the absence of contemporaneous documentary evidence.

15 Regarding the Defendants' counterclaim, I find that the Defendants have not established their case. The Defendants' case is that Mr Cheung proposed that the Claimant would transfer the Defendants an additional S$500,000 for an additional 0.5 billion shares in LionGold. The 1st Defendant testified that he had agreed in good faith. Therefore, having transferred the shares, the Defendants are now counterclaiming for the additional S$500,000.

16 However, I am unable to make a finding on this. The Defendants asserted that Mr Cheung was the one who made the proposal. However, Mr Cheung is not called as a witness to testify to this alleged agreement. I am not satisfied that the Defendants have established their counterclaim.

17 The claim and the counterclaim are both dismissed. Parties are to submit on costs within 10 days of this judgment.

- Sgd -
Choo Han Teck
Judge of the High Court

Nathaniel Lai (instructed) (Duxton Hill Chambers (Singapore Group Practice)) and Cephas Yee Xiang (Delta Law Corporation) for the claimant;
Joseph Tay Weiwen, Wee Su-Ann and Abdul Mateen Bajerai (Bayfront Law LLC) for the first and third defendants.