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

[2025] SGHC 64

Originating Claim No 309 of 2023

Between

CROWN Construction Pte Ltd

… *Claimant*

And

UNIVEL Hospitality Pte Ltd

… *Defendant*

Counterclaim of Defendant

Between

UNIVEL Hospitality Pte Ltd

… *Claimant in Counterclaim*

And

CROWN Construction Pte Ltd

… *Defendant in Counterclaim*

GROUNDS OF DECISION

[Contract — Formation — Certainty of terms]
[Contract — Consideration — Promissory estoppel]

[Contract — Breach]
[Contract — Variation]
[Contract — Remedies — Damages]

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CROWN Construction Pte Ltd
v
UNIVEL Hospitality Pte Ltd

[2025] SGHC 64

General Division of the High Court — Originating Claim No 309 of 2023
Lee Seiu Kin SJ
7 June 2024, 23–26 July 2024

10 April 2025 Judgment reserved.

Lee Seiu Kin SJ:

Introduction

1 The claimant, CROWN Construction Pte Ltd ("the Claimant"), is in the business of interior fitting out works and building and construction. It was the sub-contractor to Sim Lian Construction Co Pte Ltd, the main contractor for a 13-storey building project at Craig Road ("the Project"). Part of the Claimant's contract with the main contractor was the fabrication, supply and delivery of loose furniture ("the Furniture") for the Project. The defendant, UNIVEL Hospitality Pte Ltd ("the Defendant"), is in the business of supply and fabrication of loose furniture. The Claimant sub-contracted the supply of the Furniture to the Defendant ("the Subcontract").

2 The Claimant's action is essentially for damages for breach of contract, in that the Defendant only made partial delivery of the Furniture and had failed

to deliver the rest. The Claimant also alleged that the Defendant had failed to complete mock-up items and that there were defects in 70% of the Furniture that had been delivered. Further, the Claimant alleged that the Defendant unreasonably demanded additional payments to complete the delivery that were not provided for under the Subcontract. The Claimant took these breaches to be a repudiation of the Subcontract and accepted the same on 31 March 2023.[1]

Factual background

3 On 9 April 2021, pursuant to an invitation from the Claimant to tender for the fabrication and supply of custom-made loose furniture for the Project, the Defendant submitted quotations for various items of furniture on 9 April, 3 June and 18 July 2021. On 15 September 2021, the Defendant submitted revised quotations[2] for a consolidated list of items ("the September Quotation"). The September Quotation was based on materials for the various items of furniture that were specified by the interior design consultant ("the Consultant") in detailed spreadsheets attached therein. The price quoted was USD212,319.91, which did not include delivery costs. The furniture was to be made in a factory in Indonesia.

4 The September Quotation was not acceptable to the Claimant as this exceeded the latter's budget. The Claimant requested the Defendant to reduce the price by proposing cheaper materials for the Furniture. On 29 September 2021, the Defendant submitted a revised quotation on the basis of cheaper materials, in the sum of USD164,427.26. However, the Claimant requested for a further reduction and a goodwill discount. On 25 October 2021, the Defendant

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1 Agreed Bundle of Documents (Vol 2) in HC/OC 309/2023 ("2AB") at p 1866.

2 Zaeem Aung Soe Htoo's affidavit of evidence-in-chief dated 11 March 2024 ("ZASH") at p 136

submitted another revised quotation for the sum of USD143,019.26. The Claimant asked for a further goodwill discount to reduce this to USD140,000 to which the Defendant agreed. On 26 October 2021, the Defendant sent to the Claimant a summary sheet[3] ("the Summary Sheet") listing the eight areas of the building where the Furniture would be placed, along with the price for each area, with a total quote (after a goodwill discount) of USD140,000. This quotation was on the basis of the use of alternative materials proposed by the Defendant (which were different from those specified in the tender) but which had to be submitted to the Consultant for approval. Crucially, the Subcontract did not provide for a situation where the Consultant rejects the materials proposed by the Defendant. This is discussed further below.

5 There were further negotiations on the details of the quotation which culminated in a Letter of Acceptance ("the LOA") issued by the Claimant to the Defendant on 4 November 2021.[4] Both parties agree that the LOA, along with its annexes, constituted the Subcontract. The LOA set out the terms of the Subcontract and incorporated various correspondence and documents, including a modification of the Summary Sheet. The Subcontract was to commence on 9 November 2021 and date of completion was to be 7 June 2022. Under the Subcontract, the price was *ex*-factory, but the Defendant would arrange for delivery which would be paid for by the Claimant.

6 As is sometimes the case, the performance of the Subcontract was mired in delays and both parties traded accusations that the other was at fault. The Claimant contended that the Defendant did not comply with its own time schedule while the Defendant claimed that the Claimant had failed to obtain the

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3 ZASH at p 186.

4 Agreed Bundle of Documents (Vol 1) in HC/OC 309/2023 ("1AB") at p 129.

necessary approvals in time so that the work could proceed. However, it was clear from the evidence that the crux of the problem was multiple rejections by the Consultant of the materials proposed by the Defendant. At one stage, this standoff with the Consultant was such that the Claimant obtained permission of the owner of the hotel to bypass the Consultant's approval. However, there was still a requirement for the Defendant to comply with the "comments" made by the Consultant on the shop drawings. On account the changes required for the material, the Defendant wanted to claim for additional costs and a change of the terms of payment and, at one point, threatened to halt production.

7 Notwithstanding all this, a first batch of furniture was delivered on 7 January 2023, although the Claimant claimed that it was incomplete, and many items were defective. And so, the dispute continued. After much negotiation on the price and other terms, on 27 January 2023, the Defendant submitted to the Claimant eight quotations (collectively, "the Final Quotation"),[5] which the Claimant accepted by email on 30 January.[6] In a subsequent email dated 5 February 2023,[7] the Defendant stated that after further adjustments, the parties agreed to the revised sum of USD168,044.64. This is the figure in the Final Quotation.

8 Under the Final Quotation, a deposit of 50% of the quoted price was to be paid immediately. The Defendant claimed that by then the Claimant had made two payments towards the deposit totalling USD73,000 and asked for a further USD11,022.32 by its email of 6 February 2023.[8] The Claimant disputed

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5 2AB at p 1703.

6 2AB at p 1710.

7 2AB at p 1719.

8 2AB at p 1720.

this sum and countered that it should instead have been USD6,757.43.[9] The Defendant revised its invoice to reflect this amount and the Claimant paid it on 14 February 2023. The Defendant stated that, at this point, as the 50% deposit had been paid, it would commence production of the second and third batches of furniture and order materials for the fourth batch.

9 Unfortunately, further disputes arose and the parties traded accusations, resulting in a standoff. At a meeting on 27 February 2023, the parties attempted to resolve the impasse. The Defendant explained that the second batch could not be shipped out until payment of the balance amount had been made. On 3 March 2023, the Claimant made payment to the Defendant of USD24,472.14 under protest. However, the Defendant claimed that, after applying part of this sum to the outstanding amount due for the first batch, there was still an outstanding amount of USD10,852.86. As such, the Defendant refused to ship out the second batch.

10 On 31 March 2023, the Claimant's solicitors wrote a letter to the Defendant stating that the Defendant had, by a number of actions, repudiated the Subcontract, which had caused loss and damage to the Claimant. The letter stated that the Claimant accepted the repudiation and intended to claim for such loss and damage against the Defendant. The acts complained of were:

(a) failing to deliver all loose furniture by the completion date of 30 November 2022;

(b) having only delivered the first batch of loose furniture on 29 December 2022;

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[9] 2AB at p 1723.

(c) informing the Claimant that the second batch of loose furniture would be ready around 19 February 2023;

(d) refusing to deliver the second batch until the Claimant had agreed to pay the sum of USD24,479.63, which was not in accordance with the Subcontract;

(e) refusing to deliver the second batch and threatening to sell the second, third and fourth batches to third parties after the Claimant had attempted to mitigate its damages by paying the Defendant the USD24,479.63 under protest;

(f) not having completed the third and fourth batches, as an inspection at the factory in Indonesia on 1 March 2023 showed;

(g) having delivered the first batch, about 70% of which was defective and rejected by the Consultant;

(h) unreasonably demanding a sum of USD100,492.95 for the first batch and insisting that the contract price of the Subcontract was USD200,985.90 which was not in accordance with the Subcontract; and

(i) as a result of the delay in delivery and refusal to deliver the balance items of furniture, causing the main contractor to exercise its right to obtain the remaining items of furniture from third parties.

11 Although not all the acts mentioned in the letter are acts of repudiation, it is clear that the Claimant's position in this letter was based on ("the Alleged Breaches") the Defendant's:

(a) failure to deliver all loose furniture by the completion date of 30 November 2022;

(b) refusal to deliver the second batch until the Claimant had agreed to pay the sum of USD24,479.63;

(c) refusal to deliver the second batch of furniture after the Claimant had attempted to mitigate its damages by paying the Defendant the USD24,479.63 under protest;

(d) failure to complete the third and fourth batches at the factory, as of 1 March 2023; and

(e) delivery of defective furniture (constituting 70% of the first batch), which was therefore rejected by the Consultant.

12 The Defendant denied that it had breached the contract. The Defendant's position was that the Subcontract was invalid and therefore unenforceable on the ground of uncertainty of terms. The Defendant also contended that even if it was not void for uncertainty, the payment terms had been varied. The Defendant in turn counterclaimed against the Claimant for damages for wrongful termination.

Issues for determination

13 The Claimant identified the following issues of facts and law:

(a) Whether there was a delay by the Defendant in procuring approval for its shop drawings and material samples ("Issue C1");

(b) Whether the Claimant was entitled to order variation works ("Issue C2");

(c) Whether the Defendant was entitled to vary the terms of the Subcontract ("Issue C3");

(d) Whether the acceptance of the Final Quotation constituted an agreement to vary the payment terms of the Subcontract ("Issue C4"); and

(e) Whether the Defendant had repudiated the Subcontract ("Issue C5").

14 The Defendant identified the following issues for determination:

(a) Whether the Subcontract was void for uncertainty ("Issue D1");

(b) Alternatively, whether the Subcontract had been rescinded by mutual agreement, as evinced by the parties' conduct ("Issue D2");

(c) Alternatively, whether the payment terms of the Subcontract had been varied as per the Final Quotation ("Issue D3");

(d) Whether there had been any repudiatory breach of the Subcontract by the Defendant ("Issue D4");

(e) Even if there had been a repudiatory breach, whether the Claimant suffered any damage ("Issue D5"); and

(f) Whether the Defendant was entitled to damages on account of the Claimant's wrongful termination of the Subcontract ("Issue D6").

15 It is convenient to group the issues identified under the following headers:

(a) The nature of the Subcontract (Issues C1, C2, C3, D1, and D2);

(b) The effect of the Final Quotation (Issues C4, D3);

(c) Whether the Defendant was in repudiatory breach of the Subcontract (Issues C5, D4);

(d) Whether the Claimant had suffered damage (Issue D5); and

(e) Whether the Defendant was entitled to damages (Issue D6).

Issue 1: Nature of the Subcontract (Issues C1, C2, C3, D1 & D2)

16 Key to the Claimant's case is a document at "Annex A – Bill of Quantities", which reproduced all the information in the Summary Sheet but added six notes under the title "Important Notes".[10] The third note ("Note 3") reads as follows:

> 3 Above quoted prices are based on supplier's proposed alternative materials. All proposed alternative materials therein shall be submitted after award of the Sub-Subcontract for the Consultant's review and approval and it shall not deviate from the Design Intent or the Employer's Requirements.

17 Note 3 is central to the Claimant's case, which is that, while the Defendant could have proposed material for the furniture which was different from what had been specified in the tender, such material had to be submitted to the Consultant for his review and approval. It is common ground between the parties that the Defendant was to base the price in his quotation on cheaper materials. However, the Claimant's case is that, if the Consultant rejected the proposed material, the Defendant was thus obliged to propose other alternatives and keep doing so until they were met with the approval of the Consultant, at no additional cost to the Claimant. Note 3 is also central to the Defendant's case

[10] 1AB at p 140.

in that the Defendant contends that its obligation only extended to the submission of the proposed alternative material to the Consultant for his review and approval[11]. The Defendant also contends that Note 3 did not provide for the situation where the Consultant did not approve such material. Nor did it require the Defendant to propose further alternative materials for the Consultant's approval, or how the price of the Subcontract would be determined if material other than those provided for in the Defendant's original proposal was used. [12] This lacuna forms the basis of the Defendant's case that this term in the Subcontract is void for uncertainty.

18 In the event, the Defendant submitted shop drawings and material samples to the Consultant for his approval. When he rejected any material, the Defendant came back with alternatives which were also rejected. I infer from this that the Consultant was not satisfied with the quality of the materials proposed by the Defendant which, due to the lower cost, would be inferior to the materials specified by the Consultant. Although the Claimant contends that there was considerable delay by the Defendant in submitting shop drawing and materials to the Consultant for approval, I find that such delay was, in the main, caused by the intractable problem of the Consultant rejecting materials proposed by the Defendant.

19 Therefore, in relation to Issue C1, I find that there is no basis for the Claimant's complaint of the Defendant's delay in getting the necessary approvals of the Consultant.

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11 Kum Chwee Guan's affidavit of evidence-in-chief dated 9 March 2024 at para 6.

12 Defendant's Written Submission in HC/OC 309/2023 at paras 21–22.

20 The Claimant claims that it was entitled to order variation of the Subcontract under cl 17.1 of the REDAS Design and Build Conditions of Sub-Contract ("the REDAS Conditions"). But the issue is whether the REDAS Conditions had been incorporated in the first place. I find that it was not, for the following reasons:

(a) On an objective analysis of the contractual documents, there was no incorporation of the REDAS Conditions. The Claimant seeks to rely on cl 3 of the Salient Terms and Conditions (Annex E of the Subcontract), which falls under the heading "Main Contract Condition" and in which there is an incorporation clause. The Defendant argues that this refers to the Main Contract between the Claimant and the employer (and not the Subcontract between the Claimant and Defendant). I agree with the Defendant. I find that this passing reference to the REDAS Conditions did not incorporate them into the Subcontract.

(b) The Claimant had represented in writing that the REDAS Conditions were not applicable. On 30 October 2021, the Defendant emailed the Claimant stating, among other things, that Annex D and Annex E of the Subcontract were not applicable, to which the Claimant responded in its email of 3 November 2021 that they were "for info"[13].

(c) There was no discussion of the REDAS Conditions during contract negotiations and the parties did not fill out Appendix 1 of, nor sign or otherwise endorse, the REDAS Conditions.

(d) The nature of the Subcontract was not consistent with an intention to incorporate the REDAS Conditions. This was a contract to

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[13] ZASH at p 197.

supply loose furniture and not a construction contract, which is what the REDAS Conditions deal with.

21 The Defendant's contention goes one step further: even if incorporated, the Claimant is estopped from relying on the REDAS Conditions as the elements for estoppel are made out:

(a) The Claimant made a clear and unequivocal representation in its email of 3 November 2021 that Annex D was "for info";

(b) The Defendant had entered into the Subcontract on the basis, among others, of this representation; and

(c) It would be inequitable for the Claimant to resile from its promise as the Defendant would be prejudiced.

22 I find that the evidence supports the Defendant's submissions. I therefore hold that, even if the REDAS Conditions had been incorporated, the Claimant is estopped from relying on them.

23 As the Claimant's position that it is entitled to order variation works is based on the REDAS Conditions having been incorporated, this means that Claimant is not entitled under the Subcontract to issue a variation order under the terms of the REDAS Conditions. This disposes of Issue C2. This is not to say that it was not open to the parties to agree on changes to the Subcontract, particularly on the quantity of items, addition of new items or omissions and on price – indeed, they did so by the Final Quotation. However, there is no provision that permits the Claimant to unilaterally change anything in the absence of agreement by the Defendant. Neither did the Defendant have the

ability to alter the terms without the agreement of the Claimant. This disposes of Issue C3.

24 I turn to Issue D1. The Defendant contends that the Subcontract is void for uncertainty on the ground that there was no certainty in terms of the materials that would be used in the manufacture of the Furniture. When the tender was called, it was on the basis of the materials specified in the tender by the Consultant. This was specified to be a lump sum contract for which the Defendant offered the price of USD212,319.91. However, the Claimant did not wish to pay such a high amount and requested the Defendant to give a lower price with the use of cheaper materials. After a few rounds of hard bargaining, the Claimant got the Defendant to reduce its price to USD164,044.64 on the basis that the materials used would not be what had been specified in the tender specifications by the Consultant. However, the materials proposed "should not deviate from the Design Intent or the Employer's Requirements" and was subject to the approval by the Consultant. The concept of "Design Intent" and "Employer's Requirements" were not set out anywhere and presumably these aspects were within the scope of the Consultant's approval. But the Subcontract was silent on what would happen if the Consultant rejected (or kept rejecting) the materials proposed. The Claimant relies on the case of *Chan Tam Hoi v Wan Jian* [2022] SGHC 192. In this case, the price of the shares to be purchased was agreed to be in the range of $1.00 to $1.50 but the final price remained open for discussion. Having found that price was an essential term of the contract, the Court held that this term was too uncertain to be enforceable and therefore there was no valid oral agreement.

25 In my view, the problem for the Claimant arose from its efforts to shave a third off the original tender price by getting the Defendant to propose cheaper materials. In so doing, the Claimant had introduced an uncertainty in the

process. This was the requirement to have such materials approved by the Consultant, with the Subcontract silent on what would happen if the materials were not approved. There was simply no provision in the Subcontract to resolve an impasse arising from this. I find that the Subcontract is uncertain on this crucial term and hold that it is, as a result, unenforceable. This disposes of Issue D1.

26 The Defendant submitted that the circumstances leading to the issuance and acceptance of the Final Quotation show that the parties had mutually agreed to rescind the Subcontract and enter into a fresh contract in the form of the Final Quotation. I do not agree with this because it is clear that the parties never intended to rescind the Subcontract, but merely to amend its terms as the work proceeded (and got bogged down). This answers Issue D2.

Issue 2: Effect of the Final Quotation (Issues C4 & D3)

27 As described in the factual background above, the Final Quotation was given and accepted after long negotiations between the parties. The list of furniture – and consequently, the contract sum – had changed, but more importantly, the payment terms had also changed. Under the terms of the Subcontract as it stood when it came into force in November 2021, the payment terms were as follows:

(a) Advance payment for mock up items;

(b) 30% down payment, after deduction of payment issued (upon approval of mock up items by the consultant/client);

(c) 20% progress payment to proceed to production;

(d) 30% progress payment upon completion of production and before shipping;

(e) 10% progress payment after inspection of goods in the factory or on-site; and

(f) 10% final payment upon receiving an Undertaking Letter on Indemnity and Warranty.

28 However, under the Final Quotation the payment terms were completely revised in the following respects:

(a) The production lead time would be eight weeks after shop drawings were approved and the deposit received; and

(b) The payment terms were to be (i) 50% advance payment prior to bulk production; and (ii) payment of the balance 50% before shipping.

29 These and other terms were contained in the exchange of emails dated 27 and 30 January 2023. The terms of the Subcontract were therefore amended by mutual agreement to incorporate the terms in those emails. This disposes of Issues C4 and D3.

Issue 3: Whether the Defendant was in repudiatory breach of the Subcontract (Issues C5 & D4)

30 I set out again the basis for the Claimant's position that the Defendant had repudiated the Subcontract contained it its solicitors' letter of 31 March 2023:

(a) Failure to deliver all loose furniture by the completion date of 30 November 2022;

(b) Refusal to deliver the second batch of furniture until the Claimant had agreed to pay the sum of USD24,479.63;

(c) Refusal to deliver the second batch after the Claimant had attempted to mitigate its damages by paying the Defendant the USD24,479.63 under protest;

(d) Failing to complete production of the third and fourth batches at the factory as of 1 March 2023; and

(e) 70% of the first batch having been rejected by the Consultant on the basis of defects.

31 On (a), the Claimant's contention that the completion date was 30 November 2022 is not supported by the evidence. In the email of 23 September 2022 that the Claimant relies on, the Defendant had stated that "current production of this first batch will take 8 weeks to complete. However we will expedite and keep you informed". The Claimant's representative agreed under cross-examination that this was not a contractual commitment by the Defendant to deliver by 30 November 2022. The Defendant points out that, in any event, the first batch was delivered on 7 January 2023. I find that there was no contractual commitment by the Defendant to deliver by 30 November 2022.

32 On (b) and (c), the Final Quotation required full payment for each batch before shipping. Initially, the Claimant had not paid the sum of USD24,479.63 that the Defendant demanded for the second batch. In the course of manufacturing, the Defendant was able to include some items from the third batch into the second batch and thus submitted a revised invoice. This increased the amount due for the expanded second batch. Therefore, when the Claimant eventually paid the USD24,479.63, this was short of the revised sum by USD10,852.86 and the Defendant was entitled to withhold work. I therefore find that the Defendant had not acted in breach in not shipping out the second batch.

33 On (d), since no complete payment was made for the third and fourth batches, the Defendant was not obliged to deliver them.

34 On (e), the Claimant did not call the relevant witnesses to give evidence of the alleged defects. The two witnesses who gave evidence for the Claimant were not the persons who dealt with the inspection and acceptance of the furniture. The only evidence of the defects were given by persons who would not be able to answer any questions about the grounds for which the furniture had been rejected. I therefore find that the Claimant had not proven that the rejection was due to defects attributable to the Defendant.

35 I therefore find that the Defendant had not committed the breaches complained of and the Claimant had no basis to terminate the Subcontract on 31 March 2023.

36 The Defendant further submits that even if those breaches were committed, they did not amount to repudiatory breach entitling the Claimant to terminate the Subcontract. In view of my finding that the Defendant was not in breach, I do not find it necessary to determine this point.

Issue 4: Whether the Claimant had suffered damages (Issue D5)

37 In view of my finding that the termination was invalid, I do not need to deal with the issue of the damages suffered by the C.

Issue 5: Whether the Defendant is entitled to damages (D6)

38 In its counterclaim, the Defendant claims the following damages for wrongful termination of the Subcontract:

S/No.	Description	Amount (USD)
1.	Revised Contract Sum as of 6 February 2023	168,044.64
2.	1st Batch Freight Charges	3,750.00
3.	2nd Batch Freight Charges	3,750.00
4.	Less Total Amount Received from the Claimant from 29 June 2022 to 3 March 2023	– 125,507.32
5.	Cancellation Charges	8,619.00
6.	Car rental and repacking costs arising out of site inspection	130.00
7.	Storage Charges for the 2nd Batch and 3rd Batch from 3 March 2023 to 5 February 2024	4,356.00
8.	Maintenance charges for the 2nd Batch and 3rd Batch from 3 March 2023 to 5 February 2024	6,050.00
9.	Tiffany Fabrics	826.50
10.	Mock-up items which cannot be reused	5,288.13
	Total:	75,306.95

39 The Defendant's witness who gave evidence of these damages was not cross-examined by the Claimant's counsel on these matters. The Defendant submits that this means his evidence on this was accepted.

40 Notwithstanding that the Defendant had proven it incurred the various costs set out in the table above, the onus was still on the Defendant to show that those losses were the direct consequence of the wrongful termination of the Subcontract by the Claimant.

41 In principle, the Defendant would be entitled to any loss of profit that he would have made had the Subcontract been fully performed (and not terminated by the Claimant). I give a simple example: if the Subcontract were terminated before any work had commenced and the Defendant was able to prove he would have made a profit margin of, say, 30% of the contract price, then he would have been entitled to the damages amounting to $50,413.39. However, the Defendant only delivered the first batch and was only entitled to payment for the delivered furniture plus loss of profit or damages in respect of the undelivered furniture. The Defendant has been paid a total sum of USD125,507.32 which, on his evidence, was USD10,852.86 short of the amount due for the first and second batches. He had completed manufacturing of the second and third batches, both of which were not delivered. The amount that the Defendant paid his supplier for those two batches would be highly relevant in computing the damages to be awarded to him, but no evidence was given on this point. Further, the Defendant was under a duty to mitigate his losses, which could have been done by selling the undelivered furniture – but there was no evidence of how much he had sold it for, nor any evidence that he had been unable to sell the furniture. I find that the Defendant had not proven his losses and therefore award nominal damages of $1.

Conclusion

42 I therefore dismiss the Claimant's claim and allow the Defendant's counterclaim. However, as the Defendant has not proven his losses, I award nominal damages in the sum of $1.

43 I will hear parties on the issue of costs.

Lee Seiu Kin
Senior Judge

Nathan Aaron Benjamin (Aaron & Co)
for the claimant and defendant in counterclaim;
Lim Yun Heng and Kieran Jamie Pillai (Yuen Law LLC)
for the defendant and claimant in counterclaim.