**IN THE STATE COURTS OF THE REPUBLIC OF SINGAPORE**

**[2026] SGDC 155**

District Court Originating Claim No 1516 of 2025
(Summons No 552 of 2026)

Between

MPM Capital Pte Ltd

… *Claimant*

And

(1) Despace Project and Design Pte Ltd
(2) Sum Chong Fai

… *Defendants*

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# GROUNDS OF DECISION

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[Civil Procedure] — [Parties] — [Self-representation of company]

# MPM Capital Pte Ltd
# v
# Despace Project and Design Pte Ltd and another

**[2026] SGDC 155**

District Court — District Court Originating Claim No 1516 of 2025
(Summons No 552 of 2026)
Deputy Registrar Don Ho
23 April 2026

4 May 2026

**DR Don Ho:**

**Introduction**

1 DC/SUM 552/2026 ("SUM 552") was an application by Despace Project and Design Pte Ltd ("Despace") and Mr Sum Chong Fai ("Mr Sum") for Mr Sum, the sole director and shareholder of Despace, to act on behalf of Despace in DC/OC 1516/2025 ("OC 1516"), which was a claim filed by MPM Capital Pte Ltd ("MPM Capital") against both Despace and Mr Sum. MPM Capital's case was that Despace had breached various loan agreements with MPM Capital that Mr Sum had guaranteed.

2 MPM Capital did not object to SUM 552 save that it sought a condition for Mr Sum to provide an undertaking to be personally responsible for the payment of legal costs should it be ordered against Despace in OC 1516 ("the Condition"). Mr Sum objected to the imposition of the Condition, and I agreed

with him. Although the court is empowered to impose conditions when granting permission for corporate self-representation, I was of the view that conditions that have the effect of making the officer personally liable for costs against the company ought not ordinarily to be imposed, and that the present case did not warrant the imposition of the Condition. SUM 552 was accordingly allowed without the Condition.

## My decision

3 As mentioned, MPM Capital did not object to SUM 552 save that it contended that the Condition should be imposed. I was satisfied that Mr Sum was duly authorised by Despace to represent it and had "sufficient executive or administrative capacity or is a proper person to represent the company" (see the requirements in O 4 r 3(3) of the Rules of Court 2021), such that permission should be given to authorise Mr Sum to represent Despace.

## *The High Court's decision in* Bulk Trading

4 In relation to the Condition, learned counsel for MPM Capital referred me to the High Court's decision in *Bulk Trading SA v Pevensey Pte Ltd and another* [2015] 1 SLR 538 ("*Bulk Trading*"). In *Bulk Trading*, the first defendant, Pevensey Pte Ltd ("Pevensey Singapore") sought leave for its sole shareholder and controlling director, Mr Agus Salim ("Mr Salim") to represent it in the underlying proceedings, namely, a claim by Bulk Trading SA ("Bulk Trading") against Pevensey Singapore and the second defendant, PT Pevensey Indonesia. The High Court dismissed the application for two main reasons.

5 First, the application failed to comply with O 1 r 9(4)(*a*)(iii) of the Rules of Court (2014 Rev Ed) as Mr Salim's supporting affidavits were silent on the reasons why leave ought to be granted for him to represent Pevensey Singapore.

The court regarded this as a serious defect, given that it left the court without any material upon which to exercise its discretion. The omission also gave rise to concerns about whether Mr Salim would be of meaningful assistance to the court and whether he appreciated the obligations that came with the right to represent Pevensey Singapore (*Bulk Trading* at [91]–[92]).

6 Second, the *bona fides* of the application were called into question. Mr Salim's principal "defence" to Bulk Trading's claims amounted to little more than an assertion that the dispute ought to be referred to arbitration, without any particulars of what the substantive defence might be. It was also noteworthy that Bulk Trading had initially commenced arbitration proceedings against Pevensey Singapore, and only brought the matter before the High Court after Pevensey Singapore failed to respond to the notice of arbitration. In addition, the court was not satisfied that Pevensey Singapore necessarily did not have access to funds to engage a solicitor. In any case, if Pevensey Singapore was indeed unable to afford legal representation for the High Court proceedings, it was difficult to see how it could afford arbitration, which would have been the costlier option (*Bulk Trading* at [92], [95] and [97]–[98]).

7 Although the application was dismissed based on the reasons above, the High Court went on to examine other factors which might be relevant for consideration for future applications under O 1 r 9(2). In particular, the High Court found that it was open to the court to impose conditions when granting leave for corporate self-representation (*Bulk Trading* at [123]). In the event that leave was granted, Bulk Trading submitted that the following three conditions should be imposed (*Bulk Trading* at [124]):

> (a) To ensure that Mr Salim can be contacted on all matters in relation to the present proceedings as well as to facilitate service of court papers, he should be ordered to provide his contact details such as his residential addresses in both Singapore and

> Indonesia, his Singapore and Indonesia mobile and office/residential phone numbers and his e-mail addresses.
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> (b) Mr Salim as sole shareholder and controlling director of Pevensey Singapore should provide an undertaking to be responsible for the payment of legal costs should it be ordered against Pevensey Singapore. Such an order is entirely consistent with the court's power under O 59 r 2 of the ROC to award costs against non-parties which would include Mr Salim if the court was minded to grant leave.
>
> (c) In order for the costs undertaking to be effective, Mr Salim should disclose his assets in Singapore sufficient to meet his potential exposure to any adverse cost orders.

8 The High Court opined that the above conditions were "fair and reasonable and would be consistent with the need to take into account the interests of the other party" (at [125]). It is also clear that the High Court did not hold that such conditions should be imposed as a matter of course in all cases of corporate self-representation.

***The present application contrasted***

9 In the present application, the Condition that MPM Capital sought to impose mirrored the second condition at [7] above. I was of the view that the present application differed from the situation in *Bulk Trading* in two material respects, which militated against the imposition of the Condition.

10 First, as alluded to at [5]–[6] above, the High Court in *Bulk Trading* had doubts about whether Mr Salim understood his obligations and would be of assistance to the court and found the *bona fides* of the corporate self-representation application to be questionable. In contrast, nothing suggested that Mr Sum and/or Despace had hitherto acted unreasonably or improperly.

11 Second, Mr Sum stood in a different position from Mr Salim. Mr Salim was a third party to the proceedings in *Bulk Trading*. However, Mr Sum was a

co-defendant in OC 1516 with Despace, the company that Mr Sum sought to represent, where it was contended by MPM Capital that Mr Sum had guaranteed the loan agreements that Despace had purportedly breached. On the assumption that MPM Capital succeeded in OC 1516 against both defendants, the usual costs order in favour of MPM Capital would have been against Despace and Mr Sum on a joint and several basis (*BCBC Singapore Pte Ltd and another v PT Bayan Resources TBK and another* [2024] 1 SLR 1 at [79]). If so, there would, at least in the usual case, have been little point in ordering Mr Sum to undertake to pay Despace's legal costs.

***Conditions that render an officer personally liable for the company's legal costs***

12 The imposition of the Condition also sat uncomfortably with the doctrine of separate legal personality, a foundational principle of company law laid down in *Aron Salomon v A Salomon and Co, Ltd* [1897] 1 AC 22. Ordinarily, if a company incurs liabilities, including the liability to pay legal costs, it is the company and not its members that should be sued: *Nicholas Eng Teng Cheng v Government of the City of Buenos Aires* [2024] 1 SLR 608 ("*Nicholas Eng Teng Cheng*") at [31]. This principle of separate legal entity has been described as the "bedrock of company law not just in Singapore but also throughout the common law world": *Goh Chan Peng and others v Beyonics Technology Ltd and another and another appeal* [2017] 2 SLR 592 at [75] (cited with approval by the Court of Appeal in *Nicholas Eng Teng Cheng* at [32]).

13 The separate entity rule is equally important in the context of corporate self-representation. When a director or any other officer acts on behalf of a company in litigation, that officer is obliged to act in the full interests of the company and not in his or her own interests, even where the officer is also a party to the same proceedings. This distinction between the company's interests

and those of its officers is further reflected in the law governing personal costs orders. In that context, the bar for imposing such orders against directors and shareholders of litigant companies is a high one: see the Court of Appeal's decision in *SIC College of Business and Technology Pte Ltd v Yeo Poh Siah and others* [2016] 2 SLR 118 ("*SIC College*"). The following points made by the court in *SIC College*, as summarised by the Court of Appeal in *Founder Group (Hong Kong) Ltd (in liquidation) v Singapore JHC Co Pte Ltd* [2023] 2 SLR 554 at [77], are pertinent:

> (a) The fact that the non-parties are the only shareholders and directors of a company and would therefore be the real and only beneficiaries of any successful outcome in the litigation should not be the overriding factor in consideration, for otherwise "any court which rules against any closely-held company would have to order costs against its shareholders and directors personally" and "drive a coach and horses through the doctrine of the separate liability of the company" (at [91(*a*)]).
>
> (b) It is not a principle of law that where a corporate litigant is unable to pay costs, the successful party will be able to look to any person with a close connection to that company for costs. The corporate veil is usually only lifted where there is fraud or highly unconscionable conduct (at [91(*b*)]).
>
> (c) That said, while impropriety or bad faith on the directors' or shareholders' part in causing the company to bring proceedings is an important factor in deciding whether they should be made personally liable for costs, there is no strict requirement that this needs to be made out before an adverse costs order can be made against them (at [93]).

(d) The controlling director of a one-man company might be made liable for costs if the company's defence is found not to be advanced in good faith, as, for example, where the company has been advised that there is no defence, and the proceedings are defended out of spite or for the sole purpose of causing the plaintiffs to incur irrecoverable costs (at [105]).

14 In my view, the above considerations apply with equal force in determining whether the Condition ought to be imposed, given that its effect is substantively the same as a personal costs order. A court considering whether to impose conditions in the context of corporate self-representation must be mindful of both the separate entity rule and the points set out by the Court of Appeal in the preceding paragraph.

15 I would therefore respectfully suggest that, in determining corporate self-representation applications, courts should be slow to impose conditions that would have the effect of rendering an officer personally liable for the company's legal costs. Rather than requiring an officer to furnish an undertaking as to the company's legal costs, a measure that carries significant personal consequences, the court should consider a less drastic alternative by, for instance, limiting the officer's right of audience up to a certain stage of the proceedings. Indeed, such an "interim" order was suggested by the High Court in *Bulk Trading* at [125], albeit as an additional condition to the grant of permission for corporate self-representation. This would allow the court to assess the representative's competence and ability to assist the court before deciding whether to permit continued representation, without prematurely imposing a financial burden on the individual.

16 Much would ultimately depend on the precise facts and circumstances of the case. Where an officer and/or the corporation has behaved unreasonably in the course of proceedings, as was the case in *Bulk Trading*, a condition requiring the officer to undertake to personally pay the legal costs of the corporation, before an application for self-representation is allowed, would indeed be appropriate.

17 Above all, the purpose of imposing conditions on the grant of permission for corporate self-representation is to ensure the proper and efficient administration of justice (*Bulk Trading* at [123]). I did not think that the Condition was necessary to maintain the integrity of the proceedings and to ensure that the due administration of justice is not compromised by Mr Sum's representation of Despace. Accordingly, I declined to impose the Condition.

**Conclusion**

18 For the foregoing reasons, I allowed the application in SUM 552 and authorised Mr Sum to represent Despace, without requiring an undertaking from Mr Sum to be personally responsible for the payment of legal costs should it be ordered against Despace in OC 1516.

19 Costs were ordered to be in the cause.

Don Ho
Deputy Registrar

Connie Kuan (Contigo Law LLC) for the claimant;
The defendants self-represented.

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