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DISTRICT JUDGE TEO GUAN KEE
17 AUGUST 2026

IN THE STATE COURTS OF THE REPUBLIC OF SINGAPORE

[2026] SGDC 256

District Court Originating Claim No 1655 of 2023

Between

Korporatio Sing Pte. Ltd.

… *Claimant*

And

Wong Suet Mei, Michelle

… *Defendant*

JUDGMENT

Employment Law – Employees' duties – Whether acts of employee amounted to breach of terms of employment agreement

Employment Law – Contract of service – Breach – Assessment of damages due to employer

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Korporatio Sing Pte. Ltd.
v
Wong Suet Mei, Michelle

[2026] SGDC 256

District Court Originating Claim No 1655 of 2023

District Judge Teo Guan Kee

17 Dec 2025, 9-10 Feb, 12 May 2026

17 August 2026 Judgment reserved.

District Judge Teo Guan Kee:

Background

1 The Claimant is a company incorporated in Singapore in the business of providing corporate secretarial services.[1]

2 Pursuant to a written contract of service ("**Employment Agreement**") between the Claimant and the Defendant dated 13 December 2021, the Defendant was employed on a full-time basis to provide corporate secretarial services to the Claimant's clients. This included, *inter alia*, being appointed as a local director or corporate secretary for the Claimant's clients.[2]

---

[1] Agreed Statement of Facts (the "**ASOF**") at paragraph 1.

[2] ASOF at paragraph 2.

3 The Defendant's employment with the Claimant was terminated by the Claimant on 16 October 2023 without notice.

4 Shortly thereafter, on 2 November 2023, the Claimant commenced these proceedings against the Defendant, alleging that the latter had breached various duties owed to the Claimant and claiming damages as well as an account of profits, alongside interest and costs.

Relevant procedural background

5 As no bifurcation order has been made in these proceedings, the trial before me was conducted on an un-bifurcated basis.[3]

6 At the trial before me, the following persons gave evidence:

(a) On behalf of the Claimant, Stefano Flavio Covolan ("**Covolan**"), a director of the Claimant; and

(b) On behalf of the Defendant, the Defendant herself.

7 Following the trial, the following written submissions were filed by the parties:

(a) Claimant's Closing Submissions filed on 17 April 2026 (the "**CCS**");

(b) Defendant's Closing Submissions filed on 17 April 2026 (the "**DCS**");

[3] NE 9 February 2026 2/21-25.

(c) Claimant's Reply Submissions filed on 12 May 2026 (the "**CRS**"); and

(d) Defendant's Reply Submissions filed on 12 May 2026 (the "**DRS**").

The Claimant's case

Relevant provisions of the Employment Agreement

8 The Employment Agreement contained, *inter alia*, the following provisions which are pertinent to this matter:

(a) Clause 4

> **4. Salary**
>
> Your starting salary will begin at S$8,000 per month. The payment date will be on the last day of every calendar month. Your salary shall be payable on a 12-month basis and monthly in arrears, solely at the discretion of the Management.
>
> The following variables are also included:
>
> - S$200 per year for each company the Employee will be appointed as Corporate Secretary (excluding Korporatio Sing Pte. Ltd.)
>
> - S$500 per year for each company the Employee will be appointed as Local Director (excluding Korporatio Sing Pte. Ltd.)
>
> - 10% of the total order size of any new client solely converted by the Employee. Commission valid only on the initial conversion package, not on renewals.
>
> The payment for the variables will be included with the basic salary and calculate on a monthly basis.
>
> Your remuneration package and the scope of your duties under this Agreement shall be subject to review on a yearly basis (based on financial year).
>
> For clarity, the figures provided in clause 3 are inclusive of employee CPF contributions.

(Emphasis in original)

(b) Clause 14

14. Intellectual Property Rights

In this Agreement, "Intellectual Property Rights" includes without limitation any patent, copyright, design right, trade mark, service mark, trade dress, trade name, goodwill, geographical indication, integrated circuit layout-design right, know-how, Confidential Information, trade secret, any application (whether pending, in process or issued) for any of the foregoing, any other industrial, intellectual property or protected right similar to the foregoing (whether registered, registrable or unregistered) in any country worldwide and in any form, media or technology now known as later to be developed.

14.1 You acknowledge and agree that during your employment with the Company, all processes, studies, flow charts, diagrams, devices, programmes, reports and other data, writings, tape recordings, computer programmes or any other works or materials, whether in paper, electronic or any other form, that are created, generated or developed by you (whether alone or with any other person, and whether or not they are created, generated or developed by you during or outside of office hours, and within the Company's premises or otherwise) or which has been furnished by the Company to you or which you have obtained as a result of your employment with the Company (hereinafter referred to collectively as the "Work Product"), shall remain the property of the Company.

14.2 All Intellectual Property Rights subsisting in or in relation to any Work Product created by you (whether alone or with any other person and whether or not it is created, generated or developed by you during or outside of office hours, and within the Company's premises or otherwise) during your employment with the Company shall belong to the Company exclusively upon creation, and you shall promptly record and disclose such Work Product to the Company, and at the request and expense of the Company do all things necessary or desirable to assign the rights to the Company in relation to such Work Product.

14.3 You shall not at any time do or cause to be done any act of thing that in any way impairs or which may tend to impair the Company's ownership, title and/or

> interest in the Intellectual Property Rights or Work Product. Upon termination of your employment in any manner provided herein, you shall cease to and desist from all use of the Intellectual Property Rights or Work Product.
>
> 14.4 You shall not do anything during the course of your employment that would in any way breach, violate or infringe any applicable laws, regulations, rules, directives, circulars, notices or directions relating to any/or governing the Intellectual Property Rights of any third parties. Without limitation to the foregoing, you shall not download any material that infringes any Intellectual Property Rights, or use any unauthorised or infringing copies of software in the course of performing your duties.
>
> (Emphasis in original)

(c) Clause 15

> **15. Conflict of Interest**
>
> Employee represents and warrants the following:-
>
> **No Current or Prior Conflict of Interest.** That Employee has no business, professional, personal, or other interest, including, but not limited to, the representation of other companies or clients, that would conflict in any manner or degree with the performance of its obligations under this Agreement.
>
> **Notice of Potential Conflict.** If any such actual or potential conflict of interest arises under this Agreement, Employee shall immediately inform the Company in writing of such conflict and obtain written approval from the Company on the matter.
>
> **Termination for Material Conflict.** If, in the reasonable judgment of the Company, such conflict poses a material conflict to and with the performance of Employee's obligations under this Agreement, then the Company may terminate the Agreement immediately upon written notice to Employee; such termination of the Agreement shall be effective upon the receipt of such notice by Employee.
>
> (Emphasis in original)

(d) Clause 16

> **16. Non-Competition**
>
> You shall not at any time during the continuance of or within two (2) years from the date of the termination of your employment or the expiry of this Agreement, directly or indirectly, entice or divert away any of the existing or potential clients or business contracts or employees of the Company; or to enter in the employment of or provide technical, commercial or professional advice as an independent contractor to any business concern which is wholly or partially in competition with the business carried on by the Company and its associates.
>
> (Emphasis in original)

(e) Clause 17

> **17. Dismissal for Misconduct**
>
> Notwithstanding Clause 16 above, any misbehaviour or misconduct on your part in particular breaches of Clauses 13 to 16 and any dishonesty, insubordination, moral turpitude or breach of Company's practices or policies shall be sufficient grounds for your dismissal without notice.
>
> (Emphasis in original)

Non-express duties imposed on the Defendant

9 In addition to the express obligations contained in the Employment Agreement, the Claimant averred that the Defendant also owed to the Claimant an implied duty of good faith and fidelity requiring the Defendant to act in the Claimant's interest (the "**Fidelity Obligation**").[4]

Alleged breaches of duty by the Defendant

10 The Claimant alleged that the Defendant had breached various clauses in the Employment Agreement as well as the Fidelity Obligation by, in summary:

[4] Statement of Claim (Amendment No.1, "**SOCA1**") at paragraph 5.

(a) providing corporate secretarial services to at least 86 companies which were not clients of the Claimant ("**Non-clients**") and directing custom away from the Claimant in respect of those companies;[5]

(b) moonlighting at a competing corporate secretarial firm and performing corporate secretarial services for the clients of the competing firm;[6]

(c) using an email address bearing the Claimant's domain name on at least 80 occasions to perform corporate secretarial services for Non-clients and to send invoices to a competitor of the Claimant, one Xion AI Pte Ltd ("**Xion**");[7]

(d) allowing herself to be appointed as a Qualified Individual ("**QI**") for Xion;[8]

(e) failing to complete the term of her appointment as a "local director" or corporate secretary of some of the Claimant's clients, the assignment of the Defendant to act as a "local director" or "corporate secretary" being one of the services provided by the Claimant to its clients;[9] and

(f) consuming an "extra 0.5 day of annual leave".[10]

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[5] SOCA1 at paragraph 3(a).

[6] SOCA1 at paragraph 3(b).

[7] SOCA1 at paragraph 18.

[8] SOCA1 at paragraph 21(b).

[9] SOCA1 at paragraph 27.

[10] SOCA1 at paragraph 28.

11 For her breaches of duty set out in sub-paragraphs (a) to (d) of the preceding paragraph, the Claimant has sought damages amounting to S$208,342.77, or damages to be assessed, from the Defendant.

12 For her failure to complete her appointments as "local director" or corporate secretary, the Claimant has sought a sum of S$14,583.33.

13 For her consumption of an additional half a day of leave to which she was not entitled, the Claimant has sought a sum of $181.82.

The Defendant's case

14 It is necessary to highlight that the Defendant *admitted* to a number of facts which had been pleaded by the Claimant as forming the factual basis for its claims in this suit.

The Defendant's Admissions

15 Specifically, in the Agreed Statement of Facts, the Defendant admitted that:

(a) Her Singpass was used for authentication purposes in relation to filings on ACRA.[11]

(b) She was named as corporate secretary or nominee director of some of Xion's clients.[12]

[11] ASOF at paragraph 7(a).

[12] ASOF at paragraph 7(b).

(c) She was appointed as a QI for Xion and her QI qualifications were referenced for system access purposes.[13]

(d) She issued invoices to Xion which carried references to "provision of named [QI]", "consultancy" and "nominee directorship".[14]

(e) ACRA records showed the Defendant had been named as a local director for 86 companies.[15]

(f) ACRA records showed that the Defendant's Singpass had been used to perform 811 transactions with ACRA, comprising various corporate actions including transactions pertaining to the alteration of company share capital, the striking off of companies, the appointments of "position holders", the filing of annual returns and the incorporation of companies.[16]

Defences raised by the Defendant

16 Notwithstanding the foregoing, the Defendant denied that she had breached any of her duties to the Claimant.

17 She pleaded that none of the actions which she allegedly undertook amounted to breaches of any terms of the Employment Agreement or the Fidelity Obligation.

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[13] ASOF at paragraphs 7(c) and 7(d).

[14] ASOF at paragraph 7(e).

[15] ASOF at paragraph 9.

[16] ASOF at paragraphs 10 and 11.

18 In relation to the use of her Singpass and the lending of her name for appointment as a corporate secretary or nominee director of Xion's clients, the Defendant took the position that her actions did not amount to the provision of corporate secretarial services.

19 As for the invoices which she issued to Xion, she characterised these as relating to "internal operational or administrative arrangements and internal guidance to Xion's staff on ACRA procedural workflow" and not the provision of corporate secretarial services.

20 Finally, whilst she admitted that she had been appointed as a local director for Non-clients and that her Singpass had been used to carry out transactions on ACRA, the Defendant asserted that these did not reflect the nature and extent of "substantive" work which she had personally carried out.[17]

21 Separately, in response to the Claimant's assertion that it was entitled to recover sums paid to the Defendant for appointments which she did not complete owing to the termination of her employment, the Defendant did not deny that she was paid the sums pleaded in the SOCA1 for being appointed as a director or secretary of the Claimant's clients.

22 However, in her Defence and Counterclaim (Amendment No.1, "**D&CCA1**"), she averred that the Claimant was not entitled to recover any sum in respect of the Defendant's failure to complete the term of any appointment as director or corporate secretary of the Claimant's clients because "the appointments for company secretary and a nominee director are tied to the

[17] ASOF at paragraphs 9 and 10.

yearly renewal of the Claimant for corporate secretarial services. The appointments are not fixed to the Defendant's employment with the Claimant."

23 Finally, in response to the Claimant's allegation that the Defendant had consumed an additional half a day of leave, the Defendant repeated general averments that she was not required to be a QI with the Claimant, that she did not "take away" the Claimant's clients, that she extended her service to an unspecified "corporate secretarial firm" (it is not clear from the D&CCA1 whether this was a reference to the Claimant or Xion) when notified and that she did not owe fiduciary duties to the Claimant, without pleading specifically to the allegation made.

Defendant's counterclaim

24 In her D&CCA1, the Defendant claimed various sums from the Claimant by way of counterclaim. These included:

(a) Salary for the whole of October 2023 - $8,326.16;

(b) Salary for November 2023 up to 14 November 2023 - $4,163.08;[18]

(c) Loss of director's fees and company secretary's fees for the period from 1 January 2024 to 30 August 2025 - $24,305.55;

(d) "Loss of salary for the duration of employment" - $25,800. This was reduced to $25,200 at the beginning of the trial before me;[19]

[18] D&CCA1 at paragraphs 45(i) and (ii).

[19] NE 9 February 2026 11/4-9.

(e) Loss of Central Provident Fund ("**CPF**") contributions from 14 November 2023 to 31 August 2025 - $4,300;

(f) Claim for "repayment of the penalty fees that were paid in September 2023" - $2,720;

(g) Loss of maternity leave salary for August 2023 – $8,326.16;

(h) Loss of commission for the introduction of new companies to engage the services of the Claimant – no amount was pleaded.

25 The foregoing claims were made on a number of different legal bases.

26 First, the Defendant averred that the termination of her employment by the Claimant on 16 October 2023 constituted wrongful dismissal.[20]

27 Stemming from such wrongful dismissal, the Defendant averred that she was entitled to the sums set out in paragraphs 24(a) to 24(e) above.

28 Generally, the sums set out in paragraphs 24(a) and 24(b) constituted salary payments alleged due to the Defendant up to and covering the notice period provided for in the Employment Agreement (four weeks)[21], whereas the sums set out in paragraphs 24(c) to 24(e) represented the difference between the amounts which would have been paid by the Claimant to her, had her employment not been wrongfully terminated, including appointment fees, and amounts which she earned from subsequent employment which she obtained after her termination, up to 30 August 2025.

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[20] D&CCA1 at paragraph 36.

[21] Covolan's AEIC at page 53.

29 Secondly, the Defendant also averred that in September 2023, she had been asked by the Claimant to carry out filings on behalf of two client companies, and to *bear* certain late filing fees and penalties associated with those filings (the "**ACRA Penalties**").[22] This formed the basis of her counterclaim for the repayment of the "penalty fees" summarised in paragraph 24(f) above.

30 Thirdly, the Defendant averred that she was made by the Claimant to return, to the Claimant, her salary for August 2023, without basis, which led her to counterclaim for the return of the same, as described in paragraph 24(g) above.

31 For completeness, I note that the Defendant has included a counterclaim for the "loss of commission for the introduction of new companies" to the Claimant. However, she has not pleaded any claim amount in relation to the same.

Claimant's defences to the Defendant's Counterclaims

32 The Claimant denied that it was liable to the Defendant for any of her counterclaims.

33 At a general level, the Claimant denied that the Defendant's employment had been wrongfully terminated. As such, any counterclaim premised on wrongful dismissal should be dismissed.

34 In addition, in relation to the Defendant's counterclaim for repayment of the ACRA Penalties (summarised in paragraph 29 above), the Claimant

[22] D&CCA1 at paragraph 41.

averred, in its Defence to Counterclaim (Amendment No.1, "**DtoCCA1**"), that the Defendant had agreed to bear the "fines" in question as these had arisen from her failure to "ensure prompt filings". [23]

35 As for the Defendant's allegation that the Claimant had made her repay her August 2023 salary without basis, the Claimant pleaded that this was an unmeritorious claim because the Claimant and the Defendant had "agreed" that the period from 2 August 2023 to 27 August 2023 would be considered unpaid leave.

Issues to be determined

36 In the remainder of these grounds, I will consider the following issues:

(a) Whether the Defendant breached any duties owed to the Claimant, arising out of the Employment Agreement or otherwise;

(b) Whether the Claimant was entitled to terminate the Defendant's employment, in the manner it did, on account of any breaches by the Defendant of the Employment Agreement;

(c) Whether the Claimant was entitled to claim damages from the Defendant on account of such breaches and, if so, the quantum of the damages to be paid;

(d) If and only if the Claimant had *not* been entitled to terminate the Defendant's employment without notice, whether the Defendant is entitled to claim the damages sought by way of her counterclaim;

[23] DtoCCA1 at paragraph 44(viii).

(e) Regardless of whether or not the Claimant was entitled to terminate the Defendant's employment, whether the Defendant was entitled to a reimbursement of the ACRA Penalties;

(f) Regardless of whether the Claimant was entitled to terminate the Defendant's employment, whether the Defendant was entitled to claim her salary for August 2023 from the Claimant.

37 It will be noted that the issues set out in sub-paragraphs (e) and (f) of the preceding paragraph are expressed to be independent of the question of whether the Claimant was entitled to terminate the Defendant's employment with the former.

38 This is because, as pleaded, the Defendant's case is that the Claimant had no basis, in the first place, for insisting that she pay for the ACRA Penalties or return her salary for August 2023.

39 Further, the facts pertaining to the Defendant making these payments pre-dated any wrongful termination of her employment in October 2023, as the Defendant pleaded that she was asked to pay for the late filings in September 2023,[24] and asked to repay her August 2023 salary on 26 September 2023.

40 The Defendant's counterclaims for these two items therefore need not necessarily be in the nature of damages stemming from wrongful dismissal.

[24] D&CCA1 at paragraph 41.

Did the Defendant breach the Employment Agreement or the Fidelity Obligation?

Obligations under the Employment Agreement

41 As mentioned earlier, the Defendant has made various admissions as to tasks which she carried out in relation to Xion's clients.

42 Even based only on the Defendant's admissions, I have no difficulty in concluding that the Defendant breached the Employment Agreement and the Fidelity Obligation. I will explain.

43 The Defendant admitted that Xion provided the "same category" of services as those provided by the Claimant in the Singapore market.[25] To this extent, she also accepted that Xion was a direct competitor of the Claimant.[26]

44 In these circumstances, it is difficult to see how work which the Defendant carried out for Xion, insofar as it related to the same type of services provided by the Claimant, would not amount to a conflict for the purposes of Clause 15 of the Employment Agreement, for which she was required to obtain approval from the Claimant. However, there is no evidence that she ever tried to obtain such approval.

45 Further, under Clause 16 of the Employment Agreement, the Defendant undertook, *inter alia*, not to "enter in the employment of or provide technical, commercial or professional advice as an independent contractor to any business concern which is wholly or partially in competition with the business carried on by the [Claimant]…"

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[25] NE 9 February 2026 71/1-72/13.

[26] NE 9 February 2026 74/27-75/8.

46 In this regard, the Defendant herself insisted repeatedly, at trial, that she had been providing guidance to Xion's staff. I set out below excerpts from cross-examination by way of illustration:

> 1st Excerpt
>
> Q Okay. And the work that Xion engaged you for, related to corporate secretarial services, yes?
>
> A No.
>
> Q What---
>
> A It's only limited to Singpass authentication and **internal operational guidance to Xion.AI staff**.
>
> Court: Sorry, "Singpass authentication and internal" what, sorry?
>
> Witness: "And internal operational guidance for"---
>
> Court: "Guidance".
>
> Witness: ---"Xion.AI internal staff."
>
> Q What do you mean by "internal operational guidance"?
>
> A Okay, **internal operation guidance is, like, something like to show them how the ACRA system works and the mechanisms of the filing**. Because I think, as you know, yah, we have some---they are not very well-versed in it.[27]
>
> 2nd Excerpt
>
> Q Okay, why don't you tell me how---what do you mean by "guiding them".
>
> A I will tell them, like, you know, on the phone, when---when we are having the discussion, **"What do you see on your screen?" And then if they want to file a certain transaction then, you know, "Log"---"you log in with the Singpass authentication." And then---then after that, "Tell me what do you see" and stuff. And then they will tell me this and that, then I will tell them, "Oh, okay, this should be the correct one." And then, "Yah, you can proceed."** Because---
>
> Q Don't you ag---continue.

[27] NE 9 February 2026 72/14-28.

> A Because I think that they have---**they have to learn it this way**, because I---I can't be, like, spending my time on re---on a Teams call with them, showing them my screen, doing everything because it will be a very waste of time. It will be a longer waste of time.
>
> (Emphasis added)

47 Whilst the Defendant sought to distinguish the provision of "guidance" from "teaching", with respect, I do not see how the activities described by the Defendant herself could be characterised as anything but the provision of, at least, "technical advice" for the purpose of Clause 16 of the Employment Agreement during the period of her employment by the Claimant.

48 The Defendant's counsel appeared to suggest that the activities carried out by the Defendant for Xion amounted to no more than "administrative assistance or isolated involvement", which could not amount to breaches of Clauses 15 and 16.[28] They did not, however, develop this argument by reference to the Employment Agreement or any authorities.

49 The Defendant's counsel's submissions reflected the position taken in the Defendant's affidavit of evidence-in-chief ("**AEIC**"), wherein the Defendant asserted that her arrangement with Xion was "purely functional, temporary and did not amount to competing business" and that there was no evidence that she had "prepared documents for [Xion], solicited their clients or carried out substantive secretarial work for them."[29]

50 With respect, I am unable to accept this argument.

---

[28] DCS at paragraph 27.

[29] Defendant's AEIC at paragraph 31.

51 First, the Defendant's obligations under Clauses 15 and 16 of the Employment Agreement were not qualified by any reference to the extent of work carried out by the Defendant for other companies.

52 Secondly, the activities which the Defendant carried out for Xion were not inconsequential or even merely administrative, having regard to the following:

(a) Xion *needed* a Qualified Individual (such as the Defendant) in order to provide corporate secretarial services.[30]

(b) The Defendant allowed herself to be named as a nominee director or company secretary of Xion's clients. In this regard, the Defendant has not challenged Covolan's evidence that, as at 5 September 2023, the Defendant was serving as a director for 86 companies which were Non-clients.

(c) The Defendant's credentials were used to perform 811 transactions during the period from around June 2022[31] through to at least October 2023[32], which included the various corporate actions set out in paragraph 15(f) above.

53 Thirdly, the Defendant was paid for the services which she provided to Xion. In his AEIC, Covolan adduced a total of 18 invoices, issued by the Defendant in her personal capacity, to Xion. These invoices spanned a period from 30 June 2022 to 30 April 2023 and, on the face of each document,

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[30] NE 9 February 2026 89/29-31.

[31] See for instance Covolan's AEIC at page 1424.

[32] See for instance Covolan's AEIC at pages 1428, 1431, 1433, 1436 and 1438.

purported to charge Xion amounts ranging from $400 to $3,500 for various corporate services including the provision of "named [QI]" and numerous "nominee" directorships.

54 When questioned about these invoices, the Defendant did not deny having sent them but gave the incredible and unsubstantiated excuse that she had not wanted to charge Xion for her services but the latter had asked the Defendant to start charging because "they did not want to take any free lunch".[33]

55 It is thus abundantly clear that the services being provided to Xion by the Defendant amounted, in the words of Clause 16 of the Employment Agreement, to the provision of "technical, commercial or professional advice as an independent contractor" to a business concern (i.e. Xion) which was in competition with the Claimant.

56 The Defendant has therefore breached Clauses 15 and 16 of the Employment Agreement.

Fidelity Obligation

57 It is trite that there is an implied term in an employer's favour that its employee will serve the employer with good faith and fidelity: *Man Financial (S) Pte Ltd (formerly known as E D & F Man International (S) Pte Ltd) v Wong Bark Chuan David* [2008] 1 SLR(R) 663 at [193].

58 In *Asiawerks Global Investment Group Pte Ltd v Ismail bin Syed Ahmad and another* [2004] 1 SLR(R) 234, the High Court asserted generally that

> **Employees should not be engaged in other business or employment during their working hours without the**

[33] NE 10 February 2026 56/3-4.

> **approval of their employers**. They should certainly not be diverting business opportunities that they got wind of only because of their employment status and during the subsistence of the employment, whether or not such information amounted to confidential information within the meaning of the law.
>
> (Emphasis added)

59 In *3D Networks Singapore Pte Ltd v Voon South Shiong and another* [2023] 4 SLR 396 ("***3D Networks***"), the High Court found that an employee's "running of his personal…business while he was employed with the plaintiff" in that case not only amounted to a breach of the express terms of his employment agreement, but also amounted to a breach of his implied duties of good faith and fidelity ([105] to [109] read with [135] to [136] of the judgment).

60 Accordingly, having regard to the same factors considered above, the services provided by the Defendant to Xion also amounted to breaches of the Defendant's Fidelity Obligation owed to the Claimant.

Was the Claimant entitled to terminate the Defendant's employment?

61 Clause 17 of the Employment Agreement, reproduced in paragraph 8(e), expressly provided that the Defendant's employment with the Claimant could be terminated, *without notice*, for "**any** misbehaviour or misconduct" (emphasis added) including breaches of Clauses 13 to 16 of the Employment Agreement.

62 As I have found that the Defendant did breach her obligations under Clauses 15 and 16 of the Employment Agreement, the Claimant *prima facie* had the right to terminate her employment without notice, based on the plain words of Clause 17 of the Employment Agreement.

63 The Defendant's counsel have sought, in the DCS and DRS, to argue that the Claimant's right to terminate the Defendant's employment without

notice was subject to a requirement that the Claimant demonstrate that the Defendant had been guilty of "serious misconduct".

64 In making this submission, the Defendant's counsel relied on the decision of the Court of Appeal in *Phosagro Asia Pte Ltd v Piattchanine, Iouri* [2016] 5 SLR 1052 ("***Phosagro***"). However, in that case, the meaning of "serious misconduct" had to be considered because the operative contract in question expressly provided that such misconduct was one ground upon which that contract could be terminated without notice. There was no suggestion in that judgment that "serious misconduct" was a requirement generally to be met whenever an employer purports to terminate an employment agreement without notice.

65 In contrast, the term "serious misconduct" does not appear in Clause 17 of the Employment Agreement at all. As the Claimant has pleaded that this clause was the basis for its termination of the Defendant's employment, it is therefore not clear how the decision in *Phosagro*, which was based on a clause worded in very different terms, is relevant to this case.

Unpleaded defences

66 I should add that at the trial before me and in her submissions filed post-trial, the Defendant tried to raise defences to the Claimant's claim that had not been pleaded in the D&CCA1.

Consent

67 The first unpleaded defence was an argument that the Claimant had "consented" to the Defendant carrying out work for Xion and therefore had no cause for asserting that she was in breach of obligations owed to the Claimant.

68 This argument was apparently founded on communications which had taken place between the Defendant and one Tan Han Sen ("**THS**"), described by the Defendant as the "accounting executive and QI for the Claimant".[34] The Defendant also asserted in her AEIC that THS was aware that she had used Xion's account to assist with the Claimant's filings.

69 At trial, I had informed the Defendant's lead counsel, after hearing submissions from him on this issue, that in my view such a defence of consent had not been pleaded by the Defendant and hence could not be pursued.[35] Thereafter, no step was taken by the Defendant to amend her pleadings. In the DRS, the Defendant's counsel also stated that the Defendant "respects" this ruling[36].

70 Notwithstanding the foregoing, in the DRS, the Defendant's counsel sought to place a new twist on the significance of the communications between the Defendant and THS, by urging me to consider that the Defendant's interactions with THS demonstrated the Defendant's "*bona fides* for the purposes of assessing the *Phosagro* threshold for serious misconduct".[37]

71 With respect, there is no room for me to consider this new argument. First, it was also not pleaded. Secondly, as I have explained above, unlike the clause considered by the court in *Phosagro,* Clause 17 of the Employment Agreement did not contain any reference to "serious misconduct".

[34] Defendant's AEIC at paragraph 46.

[35] NE 10 February 2026 88/11-89/32.

[36] DRS at paragraph 8.

[37] DRS at paragraph 9.

Restraint of Trade

72 Another unpleaded defence was an assertion by the Defendant, in her DCS, that the Claimant had not established that Clauses 15 and 16 of the Employment Agreement were "enforceable so as to found the present claim".[38]

73 The Defendant's argument, in this regard, appeared to be that the two aforementioned clauses were covenants in restraint of trade and hence *prima facie* void unless they could be shown to protect a legitimate proprietary interest and were reasonable.

74 With respect, I am unable to consider this argument because it was not pleaded at all in the D&CCA1.

75 This is no mere technical default. The Defendant's failure to properly plead and, accordingly, put the question of whether clauses in the Employment Agreement amounted to unenforceable restraint of trade clauses in issue in this suit prejudiced the Claimant by depriving it of the opportunity of pleading and adducing evidence in answer to this question.

What damages is the Claimant entitled to?

76 It has not been seriously disputed that insofar as the Defendant breached obligations owed to her employer, she would in principle be liable to pay damages in connection with such breaches.

77 In the CCS, the Claimant has identified various heads of damages to which it claims it is entitled from the Defendant.

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[38] DCS at paragraph 49.

78 I will consider each in turn.

Loss from Diversion of Productivity

79 The Claimant submitted that it is entitled to claim damages for the loss of "diversion of [the Defendant's] productivity".

80 This was premised on the proposition that the majority of the ACRA transactions carried out by the Defendant on behalf of Xion had been performed during her working hours with the Claimant.[39] According to the Claimant, this effectively meant that the Defendant had been "absent from her work with the Claimant" during the time the Defendant spent performing work for Xion.

81 Following on from the foregoing, the Claimant has quantified its claim for damages by estimating, in various ways, the ratio of time spent by the Defendant on carrying out work for the Claimant to the time spent by the Defendant on carrying out work for Xion and then seeking to recover, from the Defendant, that proportion of the Defendant's salary during the material period, representing the percentage of working time spent by the Defendant on work for Xion as opposed to work for the Claimant.

82 To illustrate this approach, one "model" put forward by Covolan[40] began with him estimating that the Defendant spent approximately 29 hours on carrying out work for the Claimant each month, based on Covolan's estimates of how long it would take for the Defendant to complete certain filing and "non-filing" tasks.

[39] CCS at paragraph 148.

[40] Covolan's AEIC at paragraphs 98 to 99.

83 Covolan then argued that "assuming" that a "standard full-time work month" comprised 160 (presumably work) hours, one could conclude that the Defendant spent approximately 18.13% of her working hours on tasks for the Claimant, because 29 hours as a percentage of 160 hours was 18.13%.

84 He then "inferred" the percentage of time spent by the Defendant on Xion's work by taking the difference of 100% and 18.13%, giving 81.87%.

85 Separately, Covolan gave evidence in his AEIC that, in the period from 1 July 2021 to 30 September 2023, the Defendant was paid a total of $145,785.04 by the Claimant.[41]

86 Multiplying this figure of $145,785.04 by 81.87%, Covolan then claimed that under this model of quantifying damages, the Claimant's "losses" from the Defendant performing filings for Xion amounted to $119,354.21.

87 In his AEIC, Covolan argued that this model provided the "most comprehensive and realistic… estimate of the time the Defendant diverted from the Claimant to a competitor".[42]

88 Similarly, in the CCS, the Claimant's counsel submitted that damages for this head of claim should be awarded in accordance with this model.[43]

89 For completeness, in his AEIC, Covolan put forward two other models for evaluating the same "loss of productivity". These were essentially based on the same principles described above but took into account different variables

[41] Covolan's AEIC at paragraph 90.

[42] Covolan's AEIC at paragraph 99.

[43] CCS at paragraph 159.

such as the number of filings carried out by the Defendant for the Claimant and Xion.[44] Regardless of the model adopted, by Covolan's estimate, the "Defendant's diversion of paid labour" amounted to between roughly 81% and 83% of the salary paid to her during the material period ($145,785.04).

90 With respect, I have several difficulties with Covolan's quantification of the damages under this head of claim.

Unsupported assumptions underlying calculations

91 First, it will be apparent from the foregoing that the model described above was based on a number of assumptions and estimates, including:

(a) the tasks which the Defendant would undertake each month;

(b) how much time the Defendant spent performing specific tasks for the Claimant each month;

(c) how many hours a "standard full-time month of work" would comprise;

(d) an assumption that any time in a "standard full-time month of work" not spent on the Claimant's work would be spent on work for Xion.

92 In his AEIC, Covolan did not put forward any objective basis for his estimates or assumptions. Instead, he claimed that he was "personally aware" of how long each filing would take because he was required to perform such filings.

[44] Covolan's AEIC at paragraphs 88 to 96.

93 In the CCS, the Claimant's counsel sought to bolster this further by asserting that Covolan was a "licensed compliance officer" as well as the "director of a registered filing agent" who had a master's degree in finance.[45]

94 Whilst I accept that the Claimant was a filing agent and Covolan was a director of the Claimant, the assertions that Covolan was a licensed compliance officer and possessed a master's degree in finance were made by Covolan under cross-examination and not mentioned anywhere in his AEIC.

95 Secondly, even if Covolan was sufficiently qualified to give expert evidence, in the context of the proceedings before me, he could not be considered an independent expert, given his role within the Claimant.

Inconsistent time periods adopted in calculations

96 Separately, in carrying out the calculations I have set out earlier, Covolan had adopted the total salary which the Defendant had been allegedly paid between *1 July 2021* and 30 September 2023.[46] This is curious because it is not disputed that the Defendant only entered into the Employment Agreement in December 2021 and that agreement provided for the Defendant's first day of work to be 15 January 2022.

97 However, the Claimant has never explained why it had been paying the Defendant from July 2021 onwards, or why this would be the appropriate date by reference to which the damages in question should be calculated.

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[45] CCS at paragraph 151.

[46] See paragraph 85 above.

98 There is another difficulty, in my view, with recognising part of the Defendant's working time, from July 2021 onwards, as time notionally spent working for Xion; the evidence suggests the Defendant was only approached by Xion to carry out filings from *June 2022* onwards.

99 At trial, the Defendant gave evidence that she was first approached by a person she identified as "Ishi" on behalf of Xion in June 2022.[47]

100 This evidence has not been challenged by the Claimant. It is also consistent with the objective evidence adduced at trial, because there is no evidence that the Defendant carried out work for Xion prior to June 2022.

101 Covolan's own evidence is that the Defendant was appointed as a QI for Xion on 19 June 2022.[48]

102 In these circumstances, I do not see how it would be appropriate to attribute any portion of the Defendant's working time or salary to Xion for periods prior to June 2022.

Unsupported presumption of non-performance by Defendant of her duties for the Claimant

103 Thirdly, I am also not satisfied that the Claimant has demonstrated that it would be appropriate to carry out the apportionment of the Defendant's working time between the Claimant and Xion in the manner proposed, on the facts of this case.

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[47] NE 9 February 2026 76/23-30.

[48] Covolan's AEIC at page 172.

104 The authority relied on by the Claimant in proposing this method of quantifying the damages for this head of claim was the decision in *3D Infosystems Pte Ltd (formerly known as 3D Networks Singapore Pte Ltd) v Voon South Shiong and another* [2024] SGHC 237 ("***3D Infosystems***"), in which the Court assessed damages pursuant to the decision on liability reached in the *3D Networks* decision referred to in paragraph 59 above.

105 In *3D Infosystems*, part of the damages awarded by the Court to the plaintiff employer included a sum of $38,212.59, representing the pro-rated salary of some of the plaintiff's employees for the amount of time which the defendant had got the employees in question to spend carrying out work for the defendant's personal business (instead of for the plaintiff in that case).

106 The Claimant in this case has argued that it, like the plaintiff employer in *3D Infosystems*, is entitled to claim damages assessed on the basis of the model described above as it similarly estimates the amount of time devoted by the Defendant to work for Xion.

107 With respect, I am unable to agree.

108 In *3D Infosystems*, the activities to which the defendant diverted his fellow employees were plainly mutually exclusive with their duties for the plaintiff in that case, as these involved selling fruit juice and preparing marketing materials for a period of roughly 5 days.[49]

109 In contrast, in the present case, the Claimant has included in its calculations periods (July 2021 to June 2022) for which it is not even clear the Defendant could have been carrying out work for Xion.

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[49] *3D Infosystems* at [7].

110 It is also not clear, given that the Defendant's offending activities in this case comprised the making of ACRA filings and the effective lending of her name, that these were necessarily entirely mutually exclusive of her carrying out her duties for the Claimant during the period between June 2022 and October 2023 when her employment with the Claimant ended, a period which was also much longer than the period of 5 days involved in *3D Infosystems*.

111 In this regard, Covolan has not actually adduced any evidence of the Defendant failing to perform duties for the Claimant during the material period. To be clear, this does not excuse the Defendant's breaches of her obligations under the Employment Agreement or of her Fidelity Obligation. However, I consider that it does speak to the loss suffered by the Claimant.

Conclusion: Loss from diversion of productivity

112 For completeness, I should add that the manner of assessing this head of claim which I have been considering so far was also not pleaded in the SOCA1.

113 Instead, in the SOCA1, the Claimant pleaded that it should be entitled to half of the Defendant's salary and CPF for some unspecified 15-month period, along with presumably related insurance, annual leave and allowance benefits.[50]

114 Apart from relying on the models already discussed, however, Covolan did not provide evidence as to any other basis upon which the sums claimed in the SOCA1 might be supported.

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[50] SOCA1 at paragraph 20(a).

115 By virtue of the foregoing, for this head of damage, the Claimant will be awarded nominal damages of $100.

Loss of chance of entering partnership with Xion

116 Another head of damage for which the Claimant has made a claim is the loss of an opportunity to take on those Non-clients for whom the Defendant provided services.

117 To elaborate, the Claimant sought damages in the sum of $112,750 comprising:

(a) Appointment as Local Director for 86 companies (calculated at S$500.00 per appointment for a period of 1 year) - $43,000

(b) Renewal of Appointment as Local Director for 19 companies (calculated at S$500.00 per appointment for a period of 1 year) - $9,500

(c) Appointment as the Qualified Individual for 15 months (calculated at S$1,500.00 per month) - $22,500

(d) Appointment as the Corporate Secretary for 15 months (calculated at S$2,500.00 per month) - $37,500

(e) Appointment as the Nominee Shareholder for 1 company - $250.[51]

118 The period of 1 year referred to in sub-paragraphs (a) and (b) of the preceding paragraph had been chosen by the Claimant because the appointments as directors and renewals of those appointments provided by the Claimant as

[51] SOCA1 at paragraph 20(b).

part of its corporate secretarial service offerings were carried out on a yearly basis at the rate of $500 per year.

119 As for the claims made in sub-paragraphs (c) and (d) of paragraph 117 above, it appears that the 15-month period was chosen as the Claimant had pleaded in the SOCA1 (at paragraph 20) that the Defendant had carried out work for Xion for a period of 15 months (from 1 July 2022 to 30 September 2023).

120 According to Covolan, the sums claimed under this head of loss represented the "revenue the Claimant would have earned had the Defendant directed the business to us, as she was contractually obligated to do. The quantification is based on the Claimant's standard rates."[52]

121 As to the precise mechanism by which the Claimant would have been able to earn the fees set out in paragraph 117 above, in the CCS, the Claimant's counsel asserted that the Claimant could have secured Xion as one of its own clients and, in this way, provided to Xion the same services which it received from the Defendant.[53]

122 As such, the Claimant submitted that the Defendant's conduct constituted a loss of chance for the Claimant, for which it was entitled to the sum of $112,750 claimed above.

123 Generally speaking, in considering whether a claim for the loss of a chance will be allowed, the court will consider, first, whether the defendant's breach caused the claimant to lose a chance to acquire an asset or a benefit and, secondly, whether the chance lost was a real and substantive one, in the sense

[52] Covolan's AEIC at paragraph 103.

[53] CCS at paragraph 101.

that it was not speculative: *Asia Hotel Investment Ltd v Starwood Asia Pacific Management Pte Ltd* [2005] 1 SLR(R) 661 ("***Starwood AP***") at [139].

124 It is also important to highlight that what would constitute a real and substantive chance need not be proved on the balance of probabilities. Put differently, a claimant need not prove that the chance lost had a chance of success of at least 50%. That being said, the evaluation of the chance lost would still have to be carried out as part of the assessment of the quantum of damage, within a range "lying somewhere between something that just qualifies as real or substantial on the one hand and near certainty on the other": see *Starwood AP* at [137], citing *Allied Maples Group Ltd v Simmons & Simmons* [1995] 1 WLR 1602.

125 In *Starwood AP*, having found that the appellant in that case had established the loss of a real and substantial chance, the majority in the Court of Appeal ordered that damages for the loss of a chance be assessed, emphasising that "what would have been the appellant's chances" of acquiring the benefit at issue in that case and the value to be placed on this are "matters entirely to be decided" by the assessing Judge or Registrar: *Starwood AP* at [142].

126 In contrast, the trial before me was carried out on an *un-bifurcated* basis. As such, in order to win substantial damages, the Claimant had to adduce evidence that not only showed that it had lost a real or substantial chance to enter into a partnership with Xion, but also demonstrated how likely it was to have successfully entered into a partnership with Xion, so as to allow this court to attribute a monetary value to the chance in question.

127 Moreover, by simply seeking as damages the *full amount* which it claims it could have charged Xion for the corporate secretarial services which were

provided to the latter by the Defendant, the Claimant was effectively casting the chance of entering into the aforementioned partnership as a *certainty*.

128 Given the above, it is fatal to this particular claim, firstly, that the Claimant has not adduced any evidence that there was a real or substantial chance that Xion would have considered entering into a partnership with the Claimant at all.

129 In this regard, the Claimant's highlighting of a message sent by the Defendant to a colleague, suggesting that Xion was desperate to engage the services of a QI,[54] is simply not sufficient. Not only was this the Defendant's subjective perception of Xion's position, it also does not show that Xion would have contemplated engaging a self-described competitor like the Claimant in a strategic partnership.

130 Secondly, even if there was a real or substantial chance that Xion would have entered into a partnership with the Claimant if only the Defendant had referred the former to the latter, there is no evidence, necessary for the purpose of assessing any damages payable to the Claimant, as to the likelihood that such a partnership would have crystallised. As I have mentioned at paragraph 127 above, the manner in which the Claimant has quantified this claim casts the likelihood of such a partnership effectively as a certainty, but there is no evidence to support such an assertion.

131 This claim will therefore be dismissed. I am not satisfied, in the first place, that the purported opportunity for the Claimant to enter into some kind of partnership with Xion was anything but speculative.

[54] 4AB254.

Reputational Loss

132 In the SOCA1, the Claimant pleaded that it was entitled to a sum of $22,700.25 which it characterised as "reputational loss due to the use of the Claimant's assets to provide services to companies that are not managed by the Claimant, and referral of business away from the Claimant".[55]

133 Somewhat confusingly, the Claimant then proceeded to quantify the aforementioned "reputational loss" by equating it to "the Claimant's charge out rate for the incorporation of 15 new companies and 3 renewals, amounting to S$90,900.87 with a 75% discount", which does not arithmetically work out to $22,700.25.[56]

134 In any case, I am not able to understand why reputational loss for using the Claimant's assets to provide services to Non-clients ought to be quantified as the fees which would have been charged by the Claimant for incorporating companies for its clients.

135 The identity of the "assets" in question and how such use occasioned reputational loss are also unclear.

136 Covolan's AEIC only muddied the waters further.

137 In dealing with this item, he stated that the sum of $22,700.25

> …represents the lost profits on the incorporation services for the 18 companies the Defendant enabled Xion to incorporate. We have applied a 75% discount to this figure to be conservative, acknowledging that while the Defendant had a

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[55] SOCA1 at paragraph 20(c).

[56] SOCA1 at paragraph 20(c).

> duty to secure these clients for us, we may not have successfully converted every single one.[57]

138 Even leaving aside the arbitrary nature of the "discount" applied, Covolan's characterisation of the sum claimed as "lost profits" is simply inconsistent with its characterisation as a reputational loss.

139 Further, this claim is not referred to at all in the CCS or the CRS.

140 In view of the foregoing, I am constrained to dismiss this claim.

Alternative claim for account of profits

141 The Claimant's counsel have submitted that as an "alternative" remedy, the Claimant is entitled to an order that the Defendant account for the profits which she derived from her "active competitive work".

142 My initial difficulty with this so-called alternative remedy is that the Claimant has not, whether in the SOCA1, Covolan's AEIC, the CCS or the CRS, clearly stated for which of the claims for damages such an account would stand as an "alternative remedy".

143 More importantly, the Claimant has not explained why it would be appropriate, in a claim premised on breach of contract, to order an account of profits at all. In the CCS, the Claimant even acknowledged that compensatory damages are the "traditional remedy for contractual disputes".

144 Whilst the Claimant's counsel then went on to assert that the present case is exceptional, apparently because in this case the Defendant had not only

[57] Covolan's AEIC at paragraph 105.

performed work for a competitor, but also enabled the competitor in question to compete against the Claimant, the Claimant's counsel did not then go on to cite any authority to demonstrate why an account of profits might be an appropriate remedy on the present facts, or even an authority which would support the Claimant's argument that the facts before me are sufficiently "exceptional" to consider granting an account of profits.

145 For completeness, in the CRS, the Claimant's counsel expressly stated that the Claimant's case against the Defendant was not founded on a stricter fiduciary duty at all, and took pains to emphasise that "the [Fidelity Obligation] does not require an employee to owe a fiduciary duty".[58]

146 In the premises, I am of the view that there is no scope for considering an account of profits as a remedy.

Recovery of advance payments for failure to complete appointments for clients

147 By way of background, one of the Defendant's responsibilities, as an employee of the Claimant, was to be available for appointment as a director or company secretary of the Claimant's clients.

148 Under the Employment Agreement, the Defendant was paid $200 per year for each appointment as a company secretary and $500 per year for each appointment as a director.

[58] CRS at paragraphs 18 and 19.

149 In his AEIC, Covolan also gave evidence that the Defendant would be paid in advance for each year of appointment.[59] This evidence has not been challenged by the Defendant.

150 Under cross-examination, the Defendant accepted that when her employment was terminated by the Claimant, she still held the 41 appointments pleaded in the SOCA1 on behalf of the Claimant.[60]

151 She also accepted that she did not "finish" these one-year appointments because her employment had been terminated,[61] despite having pleaded in the D&CCA1 that these appointments were not "fixed" to her employment by the Claimant.

152 The Claimant's counsel submitted that, owing to the Defendant's failure to see the aforementioned appointments through to the end of each one-year term, the Claimant was entitled to claim, for each incomplete appointment, a sum representing the pro-rated fee paid to the Defendant for the uncompleted portion of each such appointment.

153 In the SOCA1 and in Covolan's AEIC, the aggregate sum which would be due to the Claimant, calculated in the manner summarised in the preceding paragraph, is $14,583.33.

154 The Claimant then purported to set this sum off against the Defendant's outstanding pro-rated salary for October 2023, which the Claimant calculated to be $3,200, leaving a net sum of $11,383.33 for this claim.

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[59] Covolan's AEIC at paragraph 109.

[60] NE 10 February 2026 60/7-21.

[61] NE 10 February 2026 60/22-23.

155 I pause to note that, in the D&CCA1, the Defendant included a counterclaim for her salary for the entirety of October 2023 and also put the Claimant to strict proof of the set-off amount of $3,200.[62] As such, I will not include the supposed set-off of $3,200 in assessing the amount due to the Claimant under this head of claim, but will instead consider it as part of my decision on the Defendant's counterclaim.

156 Further, in Covolan's AEIC, he stated the amount due after the $3,200 set-off to be $11,565.15. However, this is arithmetically wrong, as the difference between $14,583.33 and $3,200 is $11,383.33.

157 Comparing Covolan's AEIC with the SOCA1, it appears that Covolan had stated $11,565.15 in his AEIC because this was the final figure pleaded in the SOCA1 as due to the Claimant[63] after including a further sum of $181.82 which the Claimant pleaded was due to it because the Defendant allegedly consumed an additional half day of annual leave.[64]

158 As this sum of $181.82 pertains to a separate claim, which will be considered later in these grounds, it will not be considered further here.

159 On the part of the Defendant, her counsel have not, in the DCS or the DRS, addressed this claim, nor have they challenged Covolan's evidence on the quantification of the benefit allegedly lost by the Claimant on account of the Defendant's breach of the Employment Agreement and her consequential termination.

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[62] D&CCA1 at paragraph 30(i) on page 35 of the D&CCA1.

[63] SOCA1 at paragraph 30.

[64] SOCA1 at paragraph 28.

160 In the premises, and having regard to her evidence at trial, this claim will be allowed and the Defendant will be ordered to pay the Claimant a sum of $14,583.33.

Recovery for consuming additional half a day of annual leave

161 As mentioned earlier, in the SOCA1, the Claimant has claimed a sum of $181.82, being the alleged value of an additional half day of annual leave (the "**Extra Half Day**") which the Defendant had allegedly consumed.

162 The suggestion in the SOCA1 appears to be that the Defendant was not entitled to consume this Extra Half Day. However, this claim was not mentioned at all in Covolan's AEIC. As he was the Claimant's only witness at trial, this meant that this particular claim was not supported by any evidence.

163 Accordingly, this claim will be dismissed.

Conclusion: Claimant's claim

164 In view of the foregoing, the Claimant is entitled to the following damages to be paid by the Defendant:

(a) Nominal damages of $100 for loss from diversion of productivity; and

(b) $14,583.33 for losses stemming from the Defendant's failure to complete the appointments she held for the Claimant's clients at the time her employment was terminated.

The Defendant's counterclaims

165 I turn now to consider the Defendant's counterclaims.

166 As mentioned earlier, a number of these were premised on the Defendant's allegation that the termination of her employment with the Claimant on a "without notice" basis had been wrongfully carried out.

167 In light of my finding earlier that this was not the case, any of the counterclaims premised on wrongful dismissal naturally must fall away.

168 This leaves the following counterclaims to be considered, as the legal bases for these claims did not depend on the Defendant having been wrongfully terminated by the Claimant:

(a) the Defendant's claim for her salary from the beginning of October to 16 October 2023, the date of her termination by the Claimant;

(b) repayment of the ACRA Penalties which she had paid in relation to the Claimant's clients; and

(c) the repayment of her salary for August 2023.

169 I will consider each in turn.

Claim for October 2023 salary up to 16 October 2023

170 As a preliminary point, in the D&CCA1, the Defendant had included a counterclaim for her salary for the entire month of October 2023. However, as I have found that the Claimant was entitled to dismiss the Defendant without notice on 16 October 2023, the counterclaim for salary in October 2023 after 16 October 2023 falls away.

171 As for the Defendant's salary from the beginning of October 2023 to 16 October 2023, as mentioned in paragraph 154 above, the Claimant had given

the Defendant credit, in the sum of $3,200, for her October salary, up to the date of her termination, in quantifying its claim for the Defendant's failure to complete her appointments as director or company secretary of the Claimant's clients, due to her termination for cause.

172 This effectively meant that the Claimant recognised that the Defendant was due an amount of $3,200 as her pro-rated salary for 1 to 16 October 2023.

173 This sum of $3,200 is supported by the October 2023 payslip for the Defendant, which was adduced into evidence by the Claimant and the authenticity of which was agreed to by the Defendant.[65]

174 It is clear from her pleadings that the Defendant disagreed with the Claimant's quantification of her salary for 1 to 16 October 2023. First, as mentioned earlier,[66] the Defendant put the Claimant to strict proof of the set-off amount of $3,200. Secondly, the Defendant's claim for her salary for the entire month of October 2023 stood at $8,326.16 (see paragraph 24(a) above).

175 That being said, the Defendant has not referred this Court to any evidence in support of her counterclaim for her October 2023 salary, or any part thereof. Her counsel have also not raised any argument, in the DCS or DRS, to show why the Claimant's quantification of $3,200, which was supported by a payslip,[67] was erroneous.

176 As such, on the question of the Defendant's outstanding salary for 1 to 16 October 2023, the Claimant's figure of $3,200 would be preferred.

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[65] 4AB1756.

[66] See paragraph 155 above.

[67] Covolan's AEIC at page 1756.

177 The Claimant will therefore be required to pay the Defendant a sum of $3,200 for this counterclaim.

Repayment of the ACRA Penalties

178 The Defendant's evidence in relation to the ACRA Penalties would be generously described as "sparse". The following comprise the *whole* of the Defendant's evidence in her AEIC, on the same:

> Following my termination, the Claimant failed to pay me certain sums that were contractually owed, including late penalty fees that arose due to the accountant's delays in preparing the financial statements, resulting in late annual return filings. Both Mr. Tan Hansen and I personally bore these costs, amounting to several thousand dollars.[68]

179 The Defendant did not adduce any evidence in support of her assertion that the ACRA Penalties had accrued due to an accountant's delay. As would be apparent from the quoted passage, she did not even give any particulars of the supposed delay, or even give evidence of the amount which she supposedly had been made to bear.

180 That being said, the Claimant did not dispute that the Defendant had been made to bear certain ACRA Penalties. However, as regards these, Covolan gave evidence that the Defendant had paid a sum of $2,100, which was not the sum of $2,720 claimed in the D&CCA1.[69]

181 Covolan also gave evidence that the Defendant had agreed to bear the ACRA Penalties. According to him, this was because the ACRA Penalties had accrued in the first place due to the Defendant's failure to ensure filings were

[68] Defendant's AEIC at paragraph 96.

[69] Covolan's AEIC at paragraph 120.

made on time.[70] He was thus in effect disagreeing that they should be attributed to "accountant's delays".

182 Whilst Covolan did not adduce evidence directly supporting his claim that the Defendant had agreed to bear ACRA Penalties of any specific sum, he did at least adduce a record of a message which he received from the Defendant which could be construed as demonstrating a willingness, on the part of the Defendant, to bear at least some penalties.[71]

183 In contrast, the Defendant, on whom the burden of proving her counterclaim rested, did not adduce any evidence in support of the factual basis of her counterclaim or the quantum which she sought to recover.

184 The DCS also did not specifically address this counterclaim, whilst the DRS simply repeated the Defendant's position without referring to any evidence at all.

185 In the premises, I am of the view that the Defendant has not discharged her burden of proving that she should be entitled to repayment of the ACRA Penalties. This counterclaim will therefore be dismissed.

Repayment of salary for August 2023

186 The Defendant's evidence is that she was on maternity leave between May and August 2023.[72]

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[70] Covolan's AEIC at paragraph 121.

[71] Covolan's AEIC at page 1809.

[72] Defendant's AEIC at paragraph 29.

187 This was broadly consistent with a Government-Paid Maternity Leave ("**GPML**") Declaration form signed by the Defendant, in which she stated that she would be taking 16 weeks of maternity leave.[73]

188 However, there is also evidence that the Defendant then "shared" 4 weeks of her GPML with her husband.[74]

189 The effect of this on the Claimant was that whereas it would have been entitled to claim reimbursement from the relevant government body for two months of the Defendant's GPML had the Defendant consumed all 16 weeks of the said leave on her own, under the rules then prevailing, the Claimant could only claim reimbursement for one month after the Defendant shared four weeks of the same with her husband.

190 The aforementioned consequence of the Defendant "sharing" her GPML with her husband in this way was acknowledged by the Defendant herself in a message she sent to Covolan on or around 26 July 2023.[75] In a subsequent message sent by the Defendant, she even acknowledged that deductions would be effected from her "nominee director and secretary fees till it hits 8k",[76] thus suggesting that she had acknowledged that she would bear the loss to the Claimant and indirectly supporting Covolan's case that the parties had agreed to treat the Defendant's August 2023 absence as unpaid leave.

191 In this regard, Covolan's evidence was that when the fact that the Claimant's ability to claim reimbursement for the Defendant's GPML had been

[73] 4AB 405.

[74] Covolan's AEIC at page 1810.

[75] Covolan's AEIC at page 1810.

[76] Covolan's AEIC at page 1813.

reduced by one month was brought to his attention, he agreed with the Defendant that one month of her maternity leave (August 2023) would be treated instead as unpaid leave.[77]

192 This was why, according to Covolan, the Defendant repaid her salary for August 2023, amounting to $8,326.16, to the Claimant. This is the sum which the Defendant has claimed, in her counterclaim in the D&CCA1, as "loss of maternity leave salary for August 2023".

193 In the D&CCA1, the Defendant averred that the demand for her to repay her August 2023 salary had been made "with no basis". However, she has not challenged Covolan's evidence on this issue, which I have summarised at paragraph 191 above.

194 In fact, the Defendant's AEIC did not address this counterclaim, beyond asserting, quite misleadingly, that her "last month of maternity salary remains unpaid".[78]

195 Under cross-examination at trial, the Defendant did assert that she had been "pressured" to agree to the return of her August 2023 salary and also that she had been working in August 2023 in any event. However, neither of the foregoing assertions was supported by objective independent evidence.

196 Having regard to the foregoing, I am of the view that the Defendant has not discharged her burden of proving this counterclaim. It will therefore be dismissed.

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[77] Covolan's AEIC at paragraph 122.

[78] Defendant's AEIC at paragraph 96.

Judgment

197 By virtue of the foregoing, I grant final judgment in the following terms:

(a) The Claimant's claims are allowed in part. The Defendant is to pay the Claimant a sum of $14,683.33 (being the sum of the two amounts set out in paragraph 164 above), together with interest on the same at 5.33% per annum from the date of the Originating Claim (2 November 2023) onwards.

(b) The Defendant's counterclaim is allowed in part. The Claimant is to pay the Defendant a sum of $3,200 as her outstanding salary from 1 to 16 October 2023, together with interest on same at 5.33% per annum from the date on which the initial Defence and Counterclaim was filed in these proceedings, being 15 November 2023.

198 The costs and disbursements of this suit are to be fixed by this Court if the parties are unable to agree on the same. The parties are to file and exchange their respective written submissions on costs and disbursements within 14 days hereof, limited to six pages, if required.

Teo Guan Kee
District Judge

Ms Yong Pui Yu Liane (Yang Peiyu), Mr Hassan Esa Almenoar [Guardian Law] for the claimant and defendant in counterclaim;
Mr Roy Paul Mukkam [A.W. Law LLC] for the defendant and claimant in counterclaim