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1. This judgment DOES NOT need redaction.
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Deputy Registrar Andrew Tan Shao Weng
3 June 2026

IN THE STATE COURTS OF THE REPUBLIC OF SINGAPORE

[2026] SGDC 127

District Court Suit No 2302 of 2025
Summons No 336 of 2026

Between

(1) Shariffah Zaiton Binte Syed Agil Alsagoff

… *Claimant*

And

(1) Rita Zahara Binte Mohamed Nazeer

… *Defendant*

GROUNDS OF DECISION

[Setting aside]

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[2026] SGDC 127

District Court Suit No 2302 of 2025
Summons Nos 336 of 2026
Deputy Registrar Andrew Tan Shao Weng
13 March 2026, 23 March 2026

3 June 2026

Deputy Registrar Andrew Tan Shao Weng:

1 DC/SUM 336/2026 was an application by the defendant to set aside a regular judgment entered in default of appearance vis-à-vis DC/OC 2302/2025. I allowed the application and ordered that costs be in the cause. The claimant has appealed solely against the cost order. Despite the limited scope of appeal, I will briefly discuss the merits of the case as they were relevant to my decision vis-à-vis the cost order. Simply put, I was of the view that the setting aside ought to have been consented to by the claimant upon such consent having been sought by the defendant on several occasions prior to the hearing of this matter – thereby averting unnecessary expense of costs and court resources. Despite this view I did not order costs against the claimant, instead electing to make a cost order which would favour she who eventually succeeds based on the merits of her case.

Brief facts

2 Parties are related by kinship. The defendant is the sister-in-law of the claimant, and the former is a director of a company known as Li Da Foods Pte Ltd ("Li Da"). The claimant's case is premised on three grounds:

(a) Non-payment for goods;

(b) Non-repayment of a loan; and

(c) Non-payment for services.

3 The allegations vis-à-vis the three grounds above are that the defendant (a) agreed to purchase cookies from the claimant for a sum of $9,445, and failed to make such payment; (b) loaned $127,000 from the claimant for the purpose of setting up a stall at the Geylang Bazaar; and (c) failed to pay $1087 as wages due to the claimant for work done during the Bazaar.

The setting aside

4 At the outset, I observed that there were no written agreements between the parties. As a corollary, the claimant's case was based on alleged oral agreements. The following were put forth as triable issues by the defendant.

5 First, whether she is the proper party to proceedings. In this regard, the defendant contended that Li Da was the proper party. To support this contention, evidence was presented demonstrating that Li Da – as a company – was deeply engaged in business transactions vis-à-vis the Bazaar. For example, Li Da was actively engaged in discussions with another company to sell cookies at the Bazaar, and also to import cookies from Malaysia. Invoices vis-à-vis the Bazaar were also made by Li Da, not the defendant. In addition, the alleged loan of S$120,000 was paid to Li Da – not the defendant. This is an undisputed fact.

6 Second, whether the defendant ordered cookies from the claimant. In this regard, the former denies having done so. Hence, agreement between the parties as to purchase of the cookies and whether delivery of the said cookies took place were in dispute.

7 Third, whether there was any agreement for the defendant to pay the claimant for services rendered vis-à-vis the stall at the Bazaar. The defendant denies this, and the claimant has furnished no evidence in support of her claim.

8 I found that the defendant raised triable issues, and that the thresholds for setting aside a regular default judgment, as pronounced in *Mercurine Pte Ltd v Canberra Development Ltd* [2008] SGCA 38 ("*Mercurine*"), were clearly crossed. With no written agreement between the parties, and all available documentary evidence pointing to corporate entities (instead of the defendant) as the relevant contracting parties, the proper party to this suit is a jarringly obvious triable issue.

9 Given the nature of the defence – a complete denial of the agreements alleged by the claimant – the very existence of any agreement between parties is a further issue to be tried. This is especially the case, given the absence of any documented agreement between the parties or admission to facets of the claimant's case by the defendant. In this regard, I draw reference from the High Court's observation of the inherent difficulties vis-à-vis oral contracts which render disputations arising from them generally unsuitable for summary judgment. In *M2B World Asia Pacific Pte Ltd v Matsumura Akihiko* [2015] 1 SLR 325, the High Court stated ([at [24]]:

> I accept that the court should generally not grant summary judgment where an oral contract is sued on and the terms thereof or the contract's very existence is disputed. However, the court is not precluded from doing so in an appropriate case.

> I would approve the suggestion in *Singapore Civil Procedure* that in such cases, summary judgment may be granted where the plaintiff can satisfy the court that (a) even on the defendant's version he is entitled to judgment; or (b) the defendant's version is not truthful or capable of belief (at para 14/4/7).

The cost award

Parties' positions

10 During submissions on costs, counsel for the plaintiff relied on the following dicta from the Court of Appeal in *Mercurine* at ([105] in seeking costs to be awarded to his client:

> Typically, if a regular default judgment is set aside because the defence has sufficient merit, the defendant bears the costs of the setting-aside application. Conversely, the plaintiff would usually be liable for costs when an irregular default judgment is set aside.

11 In addition, he contended that any alternative cost award would unfairly penalise his client for having complied with procedure. After all, it was said, the setting aside application was necessitated by the defendant's failings which gave rise to the default judgment being entered.

12 Counsel for the defendant, on the other hand, sought costs to be awarded to his client. The basis for this submission was that the claimant was accorded multiple opportunities to consent to the setting aside. Had the claimant exercised good judgment and so consented, extensive arguments which escalated costs could have been averted.

My decision

13 I commence by observing that the Court of Appeal in *Mercurine* was not setting rigid rules vis-à-vis costs for setting aside regular or irregular default

judgments. This is clear firstly, from the fact that the Court of Appeal was prescribing what happens "typically" for such cost orders. Secondly, the Court of Appeal explicitly considered circumstances where defendants ought not to bear costs of failed setting aside applications (*Mercurine* at [106]):

> 106 If an irregular default judgment is not set aside, however, it does not follow that the defendant must therefore bear the costs of the failed setting-aside application. Without wishing to set inflexible guidelines that could stymie the discretion of the lower courts, we would suggest that, as a general principle, the usual rule that costs follow the event should *not* be the starting point in an application to set aside an *irregular* default judgment. Depending on the nature of and the reasons for the irregularity, it may well be appropriate to order the plaintiff to bear the costs of the setting-aside application – or, perhaps, even to make no order as to costs where, *inter alia*, the court upholds the irregular judgment because the defendant has not been prejudiced by the plaintiff's procedural breach (if any) and is "bound to lose" (*per* Sir Staughton in *Faircharm* ([77] *supra*)) if the matter is re-litigated (a similar position obtains where an irregular default judgment is upheld because the defendant has acknowledged liability notwithstanding the plaintiff's procedural breach).

14 In ordering costs to be in the cause, I was guided by the Ideals stated in the Rules of Court 2021 ("ROC 2021"). In particular, the need to achieve "expeditious proceedings", "cost-effective work", and "efficient use of court resources". These were stated in the ROC 2021 as follows:

> Ideals (O. 3, r. 1)
>
> 1.—(1) These Rules are to be given a purposive interpretation.
>
> (2) These Rules seek to achieve the following Ideals in civil procedure:
>
> (a) fair access to justice;
>
> (b) expeditious proceedings;
>
> (c) cost-effective work proportionate to —
>
> (i) the nature and importance of the action;

> (ii) the complexity of the claim as well as the difficulty or novelty of the issues and questions it raises; and
>
> (iii) the amount or value of the claim;
>
> (d) efficient use of court resources;
>
> (e) fair and practical results suited to the needs of the parties.
>
> (3) The Court must seek to achieve the Ideals in all its orders or directions.
>
> (4) All parties have the duty to assist the Court and to conduct their cases in a manner which will help to achieve the Ideals.

15 In my view, achievement of the aforementioned Ideals requires parties to objectively assess the strengths and weaknesses of their cases in deciding whether to pursue or defend any applications. This is to avert unnecessary expense of resources by parties, and the Courts. I am fortified in my view by the relevant provisions of the Rules of Court dealing with costs. In particular O. 21, r 2 which explicitly requires Courts to consider "efforts made by the parties at amicable resolution" and "the conduct of the parties" in the course of making cost orders. Order 21, r 2 of the ROC 2021 reads:

> Powers of Court (O. 21, r. 2)
>
> 2.—(1) Subject to any written law, costs are in the discretion of the Court and the Court has the power to determine all issues relating to the costs of or incidental to all proceedings in the Supreme Court or the State Courts at any stage of the proceedings or after the conclusion of the proceedings.
>
> (2) In exercising its power to fix or assess costs, the Court must have regard to all relevant circumstances, including —
>
> (a) efforts made by the parties at amicable resolution;
>
> (b) the complexity of the case and the difficulty or novelty of the questions involved;
>
> (c) the skill, specialised knowledge and responsibility required of, and the time and labour expended by, the solicitor;

> (d) the urgency and importance of the action to the parties;
>
> (e) the number of solicitors involved in the case for each party;
>
> (f) the conduct of the parties;
>
> (g) the principle of proportionality; and
>
> (h) the stage at which the proceedings were concluded.

16 Indeed, the importance of avoiding unnecessary wastage of resources is further evidenced by O 21, r 4 of the ROC 2021 providing for adverse cost orders against successful parties in circumstances where such parties either act unnecessarily or fail to consider amicable resolutions. The provision reads:

> Adverse costs orders against successful party (O.21, r.4)
>
> 4. The Court may disallow or reduce a successful party's costs or order that party to pay costs, if —
>
> > (a) that party has failed to establish any claim or issue which that party has raised in any proceedings, thereby unnecessarily increasing the amount of time taken, the costs or the complexity of the proceedings;
> >
> > (b) that party has done or omitted to do anything unreasonably;
> >
> > (c) that party has not discharged that party's duty to consider amicable resolution of the dispute or to make an offer of amicable resolution in accordance with Order 5; or
> >
> > (d) that party has failed to comply with any order of court, any relevant preaction protocol or any practice direction.

17 In my view this was a case which warranted departure from the typical scenarios vis-à-vis costs envisioned by the Court of Appeal in *Mercurine*. Whilst the claimant regularly entered default judgment against the defendant, the obvious merits of the setting aside application rendered refusal *of multiple offers for amicable resolution* by the claimant incompatible with the Ideals of

the ROC 2021 cited above. I took such conduct into consideration, in accordance with O 21. r 2 of the ROC 2021, in making the cost order.

Conclusion

18 For the reasons above, I ordered costs to be in the cause.

Andrew Tan Shao Weng
Deputy Registrar

Rezza Gaznavi (Mahmood Gaznavi Chambers LLC) for the claimant;
Tan Sheng An Jonathan (Withers KhattarWong LLP) for the defendant