

**IN THE APPELLATE DIVISION OF
THE HIGH COURT OF THE REPUBLIC OF SINGAPORE**

[2026] SGHC(A) 9

Appellate Division / Civil Appeal No 77 of 2025

Between

Lee Yih Kang

... Appellant

And

Hsu Shih Hsun

... Respondent

In the matter of HC/OSB 35/2025

Between

Lee Yih Kang

... Claimant

And

Hsu Shih Hsun

... Defendant

GROUNDINGS OF DECISION

[Insolvency Law — Bankruptcy — Statutory demand]

This judgment is subject to final editorial corrections approved by the court and/or redaction pursuant to the publisher's duty in compliance with the law, for publication in LawNet and/or the Singapore Law Reports.

Lee Yih Kang

v

Hsu Shih Hsun

[2026] SGHC(A) 9

Appellate Division of the High Court — Civil Appeal No 77 of 2025
Woo Bih Li JAD, Debbie Ong Siew Ling JAD and See Kee Oon JAD
4 February 2026

1 April 2026

Woo Bih Li JAD (delivering the grounds of decision of the court):

1 In this appeal, the appellant (“Lee”) sought to set aside a statutory demand dated 25 March 2025 which was served on him on 26 March 2025 for A\$1,507,276.71 (“SD”). The SD arose from Lee’s default on a deed dated 15 February 2025 (“Deed”) to guarantee the repayment of a sum which Infinity Capital Group Limited (“Infinity”) owed to the respondent (“Hsu”). An Assistant Registrar (“AR”) dismissed Lee’s application to set aside the SD. Subsequently, Lee’s appeal against the AR’s decision was dismissed by the judge below (“Judge”). Lee then filed the present appeal against the Judge’s decision. His main arguments were that he entered into the Deed under duress and that the Deed was not validly executed.

2 Having perused the evidence and considered the parties’ submissions, we agreed with the Judge that Lee had failed to raise triable issues in relation to both his defence of duress and allegation of invalid execution of the Deed. We

dismissed the appeal in its entirety with costs fixed at \$32,000, inclusive of disbursements, with the usual consequential orders.

Facts

3 The factual background was straightforward.

4 Hsu obtained a judgment against Infinity dated 24 September 2021 which was varied by an order dated 28 December 2021, from the High Court of the Hong Kong Special Administrative Region Court of First instance (“Decisions”). According to Hsu and Lee, the Decisions ordered Infinity to pay A\$500,000, interest and costs to him.

5 Infinity did not make payment of these sums to Hsu. Eventually, Lee signed the Deed. Under the Deed, Lee agreed to pay Hsu A\$1.5 million (“Sum”) in instalments. The first instalment of A\$100,000 was to be paid by 15 February 2025, although Hsu’s lawyers agreed that it be paid by 17 February 2025. In any event, the first instalment was not paid at all. Under the Deed, if there was any default in payment, the entire Sum would be due and payable with interest.

6 On 26 March 2025, Hsu’s lawyers, Goh JP & Wong LLC (“Goh LLC”) issued the SD against Lee for payment of A\$1,507,276.71 being the amount payable under the Deed, including interest. The SD was served on Lee on 26 March 2025.

7 On 7 April 2025, Lee filed HC/OSB 35/2025 (“OSB 35”) to set aside the SD. OSB 35 was heard by the AR on 13 May 2025. On 24 June 2025, the AR dismissed the application.

8 Lee then filed an appeal to the General Division of the High Court on 4 July 2025 in HC/RA 128/2025 (“RA 128”). RA 128 was heard and dismissed on 11 August 2025 by the Judge.

9 On 8 September 2025, Lee filed the present appeal to the Appellate Division of the High Court (“Appeal”).

The parties’ arguments

10 Lee sought to set aside the SD under r 67 of the Insolvency, Restructuring and Dissolution (Personal Insolvency) Rules 2020 (“PIR”). Specifically, he relied on rr 68(2)(b) and 68(2)(e) of the PIR. The court must set aside the SD:

- (a) under r 68(2)(b), if the debt is disputed on grounds which appear to the court to be substantial; and
- (b) under r 68(2)(e), if the court is satisfied, on any other ground, that the demand ought to be set aside.

11 Lee argued that he had demonstrated *triable* issues. However, as the AR held, the criterion of “grounds which appear to the court to be substantial” under r 68(2)(b) of the PIR constitutes a higher threshold than a “genuine triable issue”: *Mohd Zain bin Abdullah v Chimbusco International Petroleum (Singapore) Pte Ltd* [2014] 2 SLR 446 at [28]–[29]. In any event, it sufficed for the Appeal to consider whether Lee was able to establish a triable issue in the first place.

12 We add that at the hearing of the Appeal, Lee’s counsel stressed that the court should only find that there are no triable issues if the only inference was

that any defence raised was hopeless. Lee’s counsel relied on *Zhang Jinhua v Yip Zhao Lin* [2024] 5 SLR 1046 (“*Zhang Jinhua*”) to support the application of this legal threshold. In our view, the reliance on *Zhang Jinhua* was misplaced as the court ultimately decided the issue on the established test of whether there was a triable issue (*Zhang Jinhua* at [26]). Furthermore, as will be discussed below, the facts of *Zhang Jinhua* were very different from the facts in the present case (see below at [37]).

13 Turning to Lee’s substantive arguments, he argued that he had raised a triable issue in relation to his defence of duress and allegation of invalid execution of the Deed.

14 First, Lee argued that he had signed the Deed under duress because of Hsu’s threats to post or circulate damaging material about one Jonathan Cheng (“Jonathan”) on social media platforms. Between 26 December 2024 and 15 February 2025, Hsu sent videos, posts and messages (“Videos”) accusing Jonathan of fraud and other misconduct. Jonathan was the sole director of Infinity. Hsu had threatened to post or circulate the Videos on various platforms. Lee alleged that ten threats in all were made before he signed the Deed. Although these threats pertained to Jonathan and not to Lee himself, Lee maintained that the threats were directed at him, and that he signed the Deed under duress because of these threats.

15 Lee also argued that the Judge, in dismissing RA 128, was unduly influenced by Hsu’s allegation that Lee had deliberately omitted to disclose complete evidence of messages or conversations between the parties.

16 Lee’s second argument was that the Deed was not validly executed. His argument conflated several points, including his other arguments that there are

triable issues in relation to whether consideration was provided by Hsu for the Deed and whether Lee was estopped from claiming invalid execution of the Deed.

17 Conversely, Hsu argued that there was no duress. He also argued that OSB 35 was not *bona fide* because Lee’s supporting affidavit for OSB 35 had deliberately omitted various WhatsApp messages or conversations between the parties which would defeat the defence of duress. Hsu also argued that Lee’s argument of invalid execution of the Deed was baseless.

The court’s decision

18 We were of the view that Lee had failed to establish any triable issue in relation to his defence of duress and allegation of invalid execution of the Deed.

19 Turning first to the defence of duress, the two elements of duress are: (a) pressure amounting to compulsion of the will of the victim; and (b) illegitimacy of the pressure exerted (*Tam Tak Chuen v Khairul bin Abdul Rahman* [2009] 2 SLR(R) 240 (“*Tam Tak Chuen*”) at [22] citing *Universe Tankships Inc of Morovia v International Transport Workers Federation* [1983] 1 AC 366 at 400).

20 On the first requirement, the following non-exhaustive factors should be considered (*Tam Tak Chuen* at [62], citing *Pao On v Lau Yiu Long* [1980] AC 614):

- (a) whether the person alleged to have been coerced did or did not protest;
- (b) whether, at the time of the alleged coercion this person did or did not have an alternative course open to him;

- (c) whether he was independently advised; and
- (d) whether after entering into the contract he took steps to avoid it.

21 It was not disputed that Jonathan was not a judgment debtor of Hsu. The Decisions were against Infinity only.

22 It was also not disputed that the Videos were about Jonathan and not Lee although this was not in itself necessarily fatal to the defence of duress (see *The Law of Contract in Singapore* (Andrew Phang Boon Leong gen ed) (Academy Publishing, 2nd Ed, 2022) at para 12.017, citing *Williams v Bayley* (1866) LR 1 HL 200). It was not disputed that Lee was anxious to persuade Hsu to stop circulating the Videos about Jonathan. Lee had a business relationship with Jonathan although he did not elaborate on what the business relationship was about except to say that he had some significant projects with Jonathan and had fully committed all his time, effort and finances to the projects. Lee also claimed that the fate of his family and children were at stake because of the Videos. Hsu disagreed that Lee had projects with Jonathan, as Lee had denied the existence of these projects when questioned by Hsu. In our view, the allegation about Lee's denial was not material in the totality of the evidence against Lee. We were prepared to accept for the purpose of the Appeal that Lee had a business relationship with Jonathan and was anxious to protect Jonathan's reputation.

23 We considered the following evidence and arguments.

24 First, Hsu did not ask Lee to provide a personal guarantee for Infinity's debt. To establish illegitimate pressure exerted, the threat would ordinarily have to be accompanied by a demand (*The Law of Contract in Singapore* at para 12.031). In the present case, any alleged threat by Hsu was not accompanied by

a demand on Lee to provide a guarantee or to satisfy the liability of Infinity. It was Lee himself who first suggested that he provide a guarantee at a drinking session on 19 January 2025. Lee continued to assure Hsu that he would provide a guarantee.

25 However, at the hearing of the Appeal, when questioned whether there was any demand made against Lee, Lee’s counsel argued that there was an *implicit* demand by Hsu on Lee when Hsu made the alleged threats about Jonathan. The problem for Lee was that this was a new argument which was not raised before the Judge or in his Appellant’s Case. Lee’s counsel sought leave from the court to make this new argument, but we were of the view that it was in any event contrary to the evidence which we elaborate on below.

26 Second, and importantly, Hsu had told Lee twice to consider carefully before committing to give a guarantee, which was inconsistent with any exercise of illegitimate pressure. First, there was a message from Hsu to Lee on 21 January 2025, which read as follows: “I must remind you clearly that this is not a small amount ... [b]ut if you have even a single doubt that [Jonathan] would repay the money, I strongly advise you to think this through carefully before committing to the guarantee”.

27 Then, on 22 January 2025, in a conversation, Hsu again informed Lee that: “[i]f you want to guarantee, you have to really think it through, because this is not a small amount of money”. Indeed, after that caution, Lee said, “[y]ou are thinking in my best interest”, but Lee was “stepping up to guarantee” Infinity’s debt “to do for [Jonathan] for once something good”.

28 These two pieces of evidence were not disclosed by Lee in his supporting affidavit for his application to set aside the SD. They were part of

various communications which were not disclosed by Lee. We will come back to the issue of such non-disclosure later.

29 Third, on 23 January 2025, Lee forwarded a message to Hsu dated 24 January 2025 stating formally that he would guarantee payment of the Sum. The contents of the letter mentioned that the letter “serve[d] as a binding agreement and w[ould] be governed by the laws of Singapore”. A similar message was subsequently sent by Lee to Goh LLC on 24 January 2025. The message suggested that Lee had already obtained legal advice, which militated against a finding of compulsion of his will.

30 However, there was no need to make a finding on this because on 7 February 2025, Goh LLC sent a draft of the Deed to Lee and informed him that he was at liberty to seek independent advice before executing the Deed. Clearly, therefore, Lee could have obtained legal advice if he had wanted to. Thus, to the extent that Lee argued that the terms of the Deed were dictated by Hsu and/or Goh LLC and that they had demanded that he sign the Deed, this was without merit. As mentioned, Lee was told that he was at liberty to seek independent advice. Furthermore, he did not sign the Deed on the date when he received the draft but did so *eight* days later when the engrossed Deed was sent to him on 15 February 2025. Indeed, when Goh LLC sent the engrossed Deed to Lee on 15 February 2025, Goh LLC mentioned that Lee was to execute it and return it by 12.00pm on 17 February 2025. Yet, Lee signed and returned it to Goh LLC on the same day itself, *ie*, 15 February 2025.

31 Fourth, even after Lee had signed the Deed, he asked for extensions of time to pay the first instalment sum of A\$100,000 and comply with other terms of the Deed on 15 and 19 February and on 3, 10 and 17 March 2025. At no time then did Lee say that he was forced to sign the Deed or had signed it under

duress. He also did not deny signing the Deed. Indeed, on 21 March 2025, he informed Hsu that: “[i]f you still insist on threatening us, you will bear the legal consequences”. Thus, it did not lie in Lee’s mouth to argue that he had timeously challenged the Deed on the ground of duress and did not affirm the validity of the Deed. He claimed that he engaged his lawyers, Emerald Law LLC, on 18 March 2025 but that did not help his case in any event.

32 Turning to Hsu’s suggestion that Lee’s application to set aside the SD was not *bona fide*, Hsu argued that Lee had deliberately omitted various messages or conversations between them (see above at [17]). This point was already made in Hsu’s affidavit filed in response to Lee’s affidavit for OSB 35. In Hsu’s affidavit, he exhibited a set of the messages between the parties and highlighted in yellow those which had been “obliterated” from Lee’s supporting affidavit. According to Lee’s counsel at the hearing of the Appeal, not all the messages highlighted in yellow by Hsu had been deleted from Lee’s mobile phone. Some were omitted only in the sense that parts thereof were omitted or were not put in the correct sequence. Nevertheless, it was not disputed that at the hearing before the AR on 13 May 2025, the AR had queried whether Lee had a response to the allegation that Lee had deleted messages. Lee’s counsel said that he had to take Lee’s instructions. He was given an opportunity to do so. On 6 June 2025, Lee’s then solicitors, Emerald Law LLC wrote to the Registry of the Supreme Court to say that Lee had deleted messages “out of embarrassment”.

33 As mentioned at [7] and [8] above, the AR dismissed OSB 35 and Lee then filed RA 128 which was heard by the Judge. We noted that when the Judge asked Lee’s new counsel why Lee had hidden messages from the court, his new counsel then said that it was an issue of selective and messy presentation by the previous solicitors of Lee. This appeared to us to be internally inconsistent. If

Lee had deleted messages from his mobile phone out of embarrassment and hence could no longer exhibit them with his supporting affidavit, this was not a question of selective or messy presentation by his previous solicitors.

34 According to Lee’s counsel at the hearing of the Appeal, he had made that submission about selective or messy presentation not in respect of messages that had been deleted from Lee’s mobile phone but in respect of those which had not been deleted but were somehow omitted in one way or another from Lee’s supporting affidavit.

35 We did not find such an explanation satisfactory as that was not the way it came across from our reading of the Notes of Arguments of the hearing below. In any event, even if we were to give counsel the benefit of the doubt, it was undisputed that Lee had not disclosed various messages in his supporting affidavit regardless of whether he had deleted them from his mobile phone or they were omitted due to selective or messy presentation. In our view, the non-disclosure was deliberate because the omitted evidence would show that there was no illegitimate pressure and no compulsion of his will. In any event, even if Lee did not deliberately delete messages or omit to disclose them, the evidence disclosed by Hsu was overwhelmingly against Lee.

36 For completeness, we noted that even the Appellant’s Core Bundle (“ACB”) filed for the Appeal did not include a complete set of messages or conversations between the parties as was exhibited in Hsu’s affidavit. The messages or conversations in the ACB did not present a complete picture. When we asked Lee’s counsel why this was so, he initially said that because of page limits, he had asked Hsu’s counsel to agree to the inclusion of the complete set, but Hsu’s solicitors had disagreed. However, Hsu’s counsel clarified in response that the ACB had already been filed without any request made to him. It was

only subsequently that there was some exchange between the solicitors about the exceeding of page limits. We mention this because Lee's counsel should not have presented an inaccurate picture at the hearing of the Appeal and should have tried his best to include the complete set of messages in the initial ACB in the first place either by agreement or by seeking the court's permission to do so if they exceeded any page limit. After all, the messages or conversations between parties were not particularly voluminous.

37 Next, in so far as Lee relied on *Zhang Jinhua* as an illustration of a case where an allegation of duress was allowed to be tested at a trial where there were disadvantageous contractual terms to the respondent (who sought to set aside a default judgment granted on a debt arising from a deed he had entered into), we were of the view that *Zhang Jinhua* did not assist Lee as the facts before us were very different.

38 In *Zhang Jinhua*, the appellant had invested in the respondent's business venture which subsequently failed. The respondent then entered into a deed on 3 October 2019 with the appellant to repay the appellant a sum of over RMB38.04m by the end of 2019, failing which the amount would become due at a rate of 15% interest per annum with the respondent liable for costs (*Zhang Jinhua* at [1]). On 31 July 2023, the appellant commenced action to seek payment as stipulated in the deed (*Zhang Jinhua* at [3]).

39 The appellant obtained an order for substituted service on the respondent. Thereafter the appellant obtained default judgment against the respondent on 18 September 2023 as the respondent did not file any notice of intention to contest the claim (*Zhang Jinhua* at [4]).

40 The appellant then commenced bankruptcy proceedings against the respondent in February 2024. The papers were filed on 15 February 2024. The parties had communicated on 16 February 2024 to meet up that day and at that meeting, the papers of the bankruptcy proceedings were personally served on the respondent (*Zhang Jinhua* at [5]).

41 On 29 February 2024, the respondent filed an application to set aside the default judgment (*Zhang Jinhua* at [6]).

42 One of the issues in that case was whether the respondent had demonstrated a *prima facie* defence of duress and/or unconscionability. The respondent alleged that the appellant and other investors had pressured him and another person to repay their investments including through the use of harassment, threats and instances of physical harm. Out of fear, the respondent agreed to enter into the deed (*Zhang Jinhua* at [15]).

43 On the other hand, the appellant noted a series of WeChat messages sent by the respondent to him after the deed was signed. In those messages, while sending Chinese New Year greetings to the appellant, the respondent appeared to accept his obligation to repay the appellant for his failed investment. Second, the deed had been signed in a solicitor's office and in the presence of a solicitor as a witness. The respondent could have asked for help if he had truly felt threatened or pressured but did not do so. Third, the respondent was an experienced businessman, and it was unlikely that he could have been pressured or threatened into signing the deed (*Zhang Jinhua* at [17]).

44 The AR who heard the summary judgment application in *Zhang Jinhua* was of the view that the respondent had demonstrated a *prima facie* defence of duress and/or unconscionability (*Zhang Jinhua* at [18] and [24]). Therefore, the

AR set aside the default judgment. *Zhang Jinhua* concerned the appellant's subsequent appeal which was dismissed by Mohamed Faizal JC (as he then was) (*Zhang Jinhua* at [26]).

45 Pertinently, Faizal JC noted the following (*Zhang Jinhua* at [29]–[34]):

- (a) The respondent had alleged that he was not even aware of the contents of the deed.
- (b) The respondent had alleged that the appellant and others had sent a litany of threats and committed numerous acts of harassment against him and another person to pressure them to repay the investments made. The threats were so grave and continued long after the deed was signed that the other person took his own life in 2022.
- (c) The respondent had undertaken a liability under the deed for which he would otherwise not have been responsible, and the deed was quite disadvantageous to the respondent including the imposition of interest at the rate of 15% per annum upon default.
- (d) Although the respondent was a savvy businessman and had not raised any objection to the deed he had signed at the earliest opportunity, it was plausible that the respondent would assume that the pressure and threats would only continue if he sought to explicitly disavow the deed. This would be especially so if the respondent was unaware of the specific contents of the deed as he had alleged.

46 In the present case, it was true that Lee had undertaken a liability which was not his in the first place and that the terms of the Deed could be viewed as

onerous from one perspective. However, the similarity with the facts in *Zhang Jinhua* did not go further.

47 In Lee's case, there was no threat by Hsu against Lee either express or implied as we have mentioned. The threat was against Jonathan. The pieces of evidence we have referred to above also showed clearly that before Lee had agreed on 19 January 2025 to provide a guarantee and up to 22 January 2025, there was no demand by Hsu against Lee, whether express or implied. Yet, Lee volunteered to provide a guarantee. More importantly, after Lee had volunteered to provide a guarantee, Hsu had cautioned him twice about doing so. There was no suggestion by Lee then or even in his supporting affidavit that Hsu was being insincere in his words of caution. Indeed, the messages/conversations of caution were not disclosed in Lee's supporting affidavit. In so far as Lee had said that he had deleted various messages from his mobile phone out of embarrassment, this explanation rang hollow. There was nothing to be embarrassed about just because Hsu had cautioned him against providing the guarantee. Furthermore, while Lee's counsel argued that there could be a demand or threat even in the face of words of caution, thus suggesting that there might have been some insincerity in Hsu's caution, there was really no basis for this suggestion.

48 It bears repeating that when Hsu cautioned Lee a second time, Lee had replied to say that he knew that Hsu was thinking in Lee's best interest (see above at [27]).

49 Furthermore, Lee was in fact informed by Goh LLC that he could seek independent legal advice eight days before Lee signed the Deed. Lee did not explain whether he did do so and, if not, why he did not do so. Lee also did not allege that he did not understand the terms of the Deed or explain why he had initially sought extensions of time to comply with the terms instead of alleging

duress. He eventually decided to file OSB 35 to challenge the Deed only after the SD was served on him.

50 In the circumstances, Lee’s argument that he had acted under duress because he had no reason to take on the onerous burden of paying the Sum was without merit. Although Lee argued that a creditor could put pressure on another person while cautioning that person to think carefully, we did not agree unless the words of caution were obviously insincere to camouflage the pressure being exerted. However, this was clearly not the case before us. There was no illegitimate pressure exerted by Hsu on Lee. In any event, there was no compulsion of Lee’s will. Therefore, Lee’s allegation that he had signed the Deed under duress was hopeless.

51 Finally, in so far as Lee argued that the Deed had not been properly executed, this argument was without basis. While Lee had mentioned the circumstances under which he was “urgently and improperly pressured to sign electronically on the Deed” and the omission of the signature of a witness as evidence that the Deed was not properly executed, he did not dispute that he had signed the Deed and had returned it electronically to Goh LLC.

52 At the hearing of the Appeal, Lee’s counsel raised another new argument. He argued that, as a matter of law, the deed could not be enforced because it was signed without a witness. However, this was not an argument made before the Judge or in the Appellant’s Case for the Appeal. Neither could Lee’s counsel produce any authority for this proposition which was without merit. Lee’s counsel cited the case of *Lim Zhipeng v Seow Suat Thin* [2020] 2 SLR 1151 which was in the Respondent’s Case for the Appeal, but that case does not stand for this proposition at all. Neither does the case of *Oversea-Chinese Banking Corp Ltd v Ravichandran s/o Suppiah* [2015] SGHC 1 which

was referenced in the Appellant’s Case to support his argument on invalid execution of the deed assist, as that case was not about invalid execution.

53 There is no requirement at law for attesting witnesses to render a contract valid and enforceable, save in specific circumstances such as where statutory requirements apply (see *Bank of China Limited (Singapore Branch) v Huang Ziqiang and another* [2014] SGHC 245 at [43]). There was also nothing on the face of the Deed that mandates witness attestation for the Deed to be valid and enforceable. All that the appellant appeared to rely on was the empty signature boxes meant for the witnesses, which was insufficient to show that witness attestation was a requirement for the Deed to be valid and enforceable.

54 For completeness, we were of the view that Lee’s argument that there was an absence of consideration was also without merit as the guarantee was signed as a deed. Furthermore, in any event, the consideration was stated in the Deed under cl 1.3, *ie*, while the instalment payment scheme under the Deed was in effect, Hsu would withhold “Recovery Action” as defined in the Deed. There was no evidence that Hsu had failed to carry out his end of the agreement. On the other hand, it was immaterial whether Lee was estopped from denying the validity of the execution of the Deed as argued by Hsu.

55 Finally, there were no circumstances which warranted the court invoking its discretion to set aside the SD on “any other ground” under r 68(2)(e) of the PIR. The circumstances where this discretion would be exercised would be rare (*Chimbusco International Petroleum (Singapore) Pte Ltd v Jalalludin bin Abdullah* [2013] 2 SLR 801 at [46]), and this was certainly not a case where it would be exercised.

Conclusion

56 Therefore, we dismissed the Appeal with costs.

Woo Bih Li
Judge of the Appellate Division

Debbie Ong Siew Ling
Judge of the Appellate Division

See Kee Oon
Judge of the Appellate Division

Loh Tian Kai (Drew & Napier LLC) (instructed), Nico Lee Yin Hao
and Joyce Soh (Triangle Legal LLC) for the appellant;
Wong Tze Roy and Denise Ng Hui Min (Huang Huimin) (Goh JP &
Wong LLC) for the respondent.
