

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

[2024] SGHC(A) 30

Appellate Division / Civil Appeal No 46 of 2024 (Summons No 34 of 2024)

Between

Marchmont Pte Ltd

... Appellant

And

- (1) Campbell Hospitality Pte Ltd
- (2) Fu Yao
- (3) Wang Cuirong

... Respondents

In the matter of Originating Claim No 492 of 2022

Between

Marchmont Pte Ltd

... Claimant

And

- (1) Campbell Hospitality Pte Ltd
- (2) Fu Yao
- (3) Wang Cuirong

... Defendants

JUDGMENT

[Civil Procedure — Appeals — Striking out — Notice of appeal]

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Marchmont Pte Ltd
v
Campbell Hospitality Pte Ltd and others

[2024] SGHC(A) 30

Appellate Division of the High Court — Civil Appeal No 46 of 2024
(Summons No 34 of 2024)
Woo Bih Li JAD, Debbie Ong Siew Ling JAD and See Kee Oon JAD
1 August 2024

26 September 2024

Woo Bih Li JAD (delivering the judgment of the court):

Introduction

1 AD/SUM 34/2024 (“SUM 34”) is an application (by the defendants referred to in [3] below) to strike out the Notice of Appeal in AD/CA 46/2024 (“AD 46”) on two grounds. The first is that AD 46 was filed and served out of time. The second is that in so far as AD 46 is an appeal on costs, no permission to appeal was obtained. We are of the view that both grounds fail. We dismiss SUM 34 with costs for the reasons stated below.

Background

2 First, we start with the background. Marchmont Pte Ltd (“Marchmont”), the appellant in AD 46 and respondent to SUM 34, is the registered proprietor of a property at 51 Joo Chiat Road. It leased parts of the property (the “Demised

Premises”) to Campbell Hospitality Pte Ltd (“Campbell”) under a tenancy agreement (the “Tenancy Agreement”). The liability of Campbell was guaranteed by its directors, Ms Fu Yao (“Ms Fu”) and Mdm Wang Cuirong (“Mdm Wang”), under a deed of guarantee (the “Deed”).

3 On 28 December 2022, Marchmont commenced HC/OC 492/2022 (“OC 492”) in the General Division of the High Court against Campbell as the first Defendant, Ms Fu as the second Defendant and Mdm Wang as the third Defendant (collectively, the “Defendants”). Marchmont sought various reliefs, including:

- (a) against Campbell – possession of the Demised Premises;
- (b) against the Defendants:
 - (i) damages to be assessed for various breaches;
 - (ii) “double the value” for a period of holding over or alternatively, double rent pursuant to s 28(4) of the Civil Law Act 1909 (2020 Rev Ed) or a provision in the Tenancy Agreement;
 - (iii) damages to be assessed for loss of rent;
 - (iv) in the alternative to (ii) and (iii), damages for repudiatory breach;
 - (v) interest at 18% per annum on all sums due and payable pursuant to cl 9 of the Tenancy Agreement; and
 - (vi) costs on an indemnity basis pursuant to cl 17(2) of the Tenancy Agreement and cl 9(b) of the Deed.

4 On 5 June 2023, the Defendants amended their Defence to include a counterclaim by Campbell for various reliefs, including:

- (a) a declaration that Marchmont’s notice of breach dated 14 December 2020 (“NOB 1”) was invalid for the purposes of s 18(1) of the Conveyancing and Law of Property Act 1886 (2020 Rev Ed) (“CLPA”);
- (b) a declaration that Marchmont’s notice of breach dated 18 April 2022 (“NOB 2”) was invalid for the purposes of s 18(1) of the CLPA;
- (c) a declaration that Marchmont’s notice of breach dated 23 June 2022 (“NOB 3”) was invalid for the purposes of s 18(1) of the CLPA;
- (d) a declaration that Marchmont had waived its right to forfeit the Demised Premises pursuant to Marchmont’s notices of breach;
- (e) in the alternative, a declaration that Marchmont was estopped from forfeiting the Demised Premises pursuant to Marchmont’s notices of breach;
- (f) a declaration that the part of cl 4(20)(a) of the Tenancy Agreement, which refers to the need for public liability insurance to cover “all the indemnities” referred to in the Tenancy Agreement, is unenforceable;
- (g) a declaration that the whole or part of cl 4(20)(b) of the Tenancy Agreement is unenforceable;

- (h) a declaration that, having regard to Marchmont’s conduct, the Court should refuse Marchmont’s claim for possession under s 18(3) of the CLPA;
- (i) a declaration that Marchmont was not entitled to double rent; and
- (j) costs.

5 The trial for OC 492 was bifurcated by consent. The first tranche on liability was heard over nine days.

6 On 2 May 2024, the judge below (the “Judge”) issued his judgment on liability for the first tranche in *Marchmont Pte Ltd v Campbell Hospitality Pte Ltd and others* [2024] SGHC 108 (the “2 May Judgment”). The Judge found that NOB 2 was valid for the purposes of s 18(1) of the CLPA, but not NOB 1 or NOB 3. As the Judge held that Marchmont had validly exercised the termination clause contained in the Tenancy Agreement based on NOB 2 (2 May Judgment at [66]), the Judge did not make a finding of repudiatory breach by Campbell (2 May Judgment at [138]). The material parts of the 2 May Judgment are [160]–[161] and [163]–[164] which we set out below:

160 Marchmont seeks against the Defendants, the following reliefs:

- (a) possession of the Premises and damages to be assessed for the Premises to be cleaned and reinstated to the original state and condition (if costs are to be incurred to achieve the same);
- (b) “[d]ouble the value” to be assessed pursuant to s 28(4) of the CLA for the period of holding over;
- (c) damages to be assessed for the loss of rent, starting from the day after the date of delivery of possession of the Premises to Marchmont to 31 July 2024 (being the last day of the tenancy period provided for under the Tenancy Agreement);

- (d) interest at 18% per annum under cl 9 of the Tenancy Agreement; and
- (e) costs on an indemnity basis under cl 9(b) of the Deed of Guarantee and cl 17(2) of the Tenancy Agreement.

161 The obligation to reinstate the Premises to the original state and condition is found in cl 11(2) of the Tenancy Agreement. The claim for interest is provided for in cl 9 of the Tenancy Agreement. Indemnity costs are also provided for in cl 17(2) of the Tenancy Agreement and cl 9(b) of the Deed of Guarantee. Campbell informed the Court that it did not contest the reliefs sought for damages for reinstatement costs, interest at 18% per annum, and indemnity costs. The reliefs for possession and damages under [160(b)] and [160(c)] follow from my holdings above. *I accordingly order the reliefs set out above at [160], with the period of holding over starting from 29 December 2022.*

...

163 In conclusion, I *allow Marchmont's claims as set out above*. I also find Ms Fu and Mdm Wang liable under the Deed of Guarantee for the sums Campbell is liable to pay to Marchmont under the Tenancy Agreement. Campbell's counterclaim is dismissed, except for its prayers for declarations that NOB 1 and NOB 3 are invalid under s 18(1) of the CLPA.

164 *If parties are unable to agree on costs, they are to provide their submissions on costs within 10 days of this Judgment.*

[emphasis added]

7 As parties were unable to agree on costs, they filed their respective costs submissions on 13 May 2024. Thereafter, the Judge heard oral submissions on costs on 23 May 2024 and made certain costs orders against the Defendants but reduced the costs payable by the Defendants by 20% since the Defendants had succeeded on their challenge to the validity of NOB 1 and NOB 3 (the “23 May Judgment”).

8 Subsequently, the Defendants filed a Notice of Appeal in AD/CA 38/2024 (“AD 38”) on 29 May 2024 through their new solicitors. Their

appeal was against the 2 May Judgment and the 23 May Judgment “on liability and costs respectively”.

9 On the other hand, Marchmont filed its Notice of Appeal in AD 46 on 20 June 2024 in respect of certain aspects of the 2 May Judgment, such as the Judge’s conclusion that NOB 1 and NOB 3 were not valid, and the 23 May Judgment where he reduced the quantum of costs payable by the Defendants to it by 20%.

10 Thereafter, on 4 July 2024, the Defendants filed SUM 34 to strike out AD 46 on the two grounds mentioned in [1] above.

The relevant statutory provisions

11 The relevant statutory provisions are O 19 r 4(1), (1A) and (2) of the Rules of Court 2021 (“ROC 2021”):

When time for appeal starts to run (O. 19, r. 4)

4.—(1) Subject to any written law and paragraphs (1A) and (2), unless the Court otherwise orders, the time for the filing of an appeal or for the filing of an application for permission to appeal does not start to run until after the lower Court has heard and determined all matters in the trial, including costs.

(1A) Where the lower Court does not hear and determine the issue of costs within 30 days after the lower Court has heard and determined all other matters in the trial, the time for the filing of an appeal or for the filing of an application for permission to appeal starts to run after the expiry of the 30-day period, even if the lower Court has directed that submissions on costs be made.

(2) For the purposes of this Rule —

(a) the lower Court is deemed to have heard and determined the issue of costs when it has —

(i) *decided on the parties' entitlement to costs, even if the amount of costs or disbursements has not been determined;*

(ii) ordered that costs be assessed;

(iii) ordered that costs be reserved; or

(iv) decided that there is to be no order as to costs or that each party is to bear its own costs.; and

(b) in the case of a bifurcated trial, where the lower Court has heard and determined a distinct bifurcated portion of the trial (including the issue of costs), the time for the filing of an appeal or for the filing of an application for permission to appeal in respect of the bifurcated portion so determined starts to run from the date of that determination.

[emphasis added]

12 Under O 19 r 25 of the ROC 2021, a notice of appeal must be filed within 28 days after the date of the lower Court's judgment.

13 The key provision in play is O 19 r 4(2)(a)(i) of the ROC 2021. The Defendants argue that in the 2 May Judgment, the Judge had already decided on "the parties' entitlement to costs" because the Judge had said that he was granting Marchmont the relief of costs on an indemnity basis that it had sought under [161] read with [160(e)] and also [163] of the 2 May Judgment (above at [6]). The 2 May Judgment at [164], which allowed parties to submit on costs, only applied to the quantum of costs and not to the entitlement itself which had already been granted to Marchmont under the 2 May Judgment.

14 On the other hand, Marchmont argues that the 2 May Judgment had only determined the basis for computing costs to Marchmont if the Judge were to subsequently order costs in favour of Marchmont, which he did only in the 23 May Judgment.

15 Therefore, according to the Defendants’ position, time for Marchmont to appeal against the 2 May Judgment ran from 2 May 2024. The 28-day period to appeal would expire on 30 May 2024. Hence, because AD 46 was filed on 20 June 2024, it was out of time in respect of the decision on liability for Marchmont’s claims. Their position was that the 23 May Judgment was only on the quantum of costs and hence any appeal on costs would run from 23 May 2024. However, although the Notice of Appeal in AD 46 was filed on 20 June 2024, within 28 days after 23 May 2024, it was still not valid if it was considered to be an appeal on costs *alone* as permission to appeal is required for an appeal on costs *alone* under para 3(f) of the Fifth Schedule to the Supreme Court of Judicature Act 1969 (2020 Rev Ed) (the “SCJA”).

16 If, however, Marchmont is correct that its entitlement to costs was decided in the 23 May Judgment and not in the 2 May Judgment, then time to appeal on the decision on liability under the 2 May Judgment would run only from 23 May 2024, and the Notice of Appeal in AD 46, which was filed on 20 June 2024, was filed in time. Consequently, AD 46 is an appeal on both issues of liability and costs and not on costs alone. In the circumstances, no application for permission to appeal would be required.

17 Hence, the threshold question before us is whether the 2 May Judgment had already decided that Marchmont was entitled to costs of the first tranche (the “Threshold Question”). We note that while, *prima facie*, the terms of the relevant paragraphs of the 2 May Judgment suggest that this was so, this is not necessarily the case and we have reached the contrary conclusion for the reasons stated below.

The arguments and the court's reasons

18 In support of their position, the Defendants argue that when Marchmont's solicitors initially wrote to the Defendants' solicitors on 7 May 2024, the letter stated:

In this regard, Kwek J had allowed the majority of the reliefs sought by our client (at [160] read with [161] of the Judgment), including that our client is entitled to **costs on an indemnity basis**.

[emphasis in original]

19 The Defendants also argue that Marchmont's costs submissions dated 13 May 2024 had also proceeded on the basis that the 2 May Judgment had already decided that Marchmont was entitled to costs on an indemnity basis and that this decision was not confined to the basis to be used to compute costs if costs were eventually granted to Marchmont. The Defendants' submissions in SUM 34 states (at para 24(f)):

(f) Sixth, at [33] of Leow's 1st Affidavit [to oppose SUM 34], Marchmont takes the position again that they "verily believe that as [the Judge] had only determined the issue of entitlement to costs during the 23 May Hearing". However, this is contradicted by the Claimant's Costs Submissions dated 13 May 2024 that "*From the outset, it should be noted that the quantum of costs to be awarded to Marchmont should be considered in light of (a) the order for costs on an indemnity basis that has been made in favour of Marchmont*" [a footnote refers to para 14 of Marchmont's costs submissions]. Marchmont's position is also contradicted by their acknowledgment at [17] of the Claimant's Costs Submissions that Order 21 Rule 22(3) states that "*On an assessment on the indemnity basis, all costs are to be allowed except insofar as they are of an unreasonable amount or have been unreasonably incurred, and any doubts which the Registrar may have as to whether the costs were reasonably incurred or were reasonable in amount are to be resolved in favour of the receiving party; and in these Rules, the term "the indemnity basis", in relation to the assessment of costs, is to be construed accordingly.*"

[emphasis in original]

20 The Defendants also disagree with Marchmont’s argument that the Defendants’ own written costs submissions before the Judge, also dated 13 May 2024, contradict their current position before us that the 2 May Judgment had already granted Marchmont’s entitlement to the costs of the first tranche. The Defendants further dispute that the Judge’s reasons for the 23 May Judgment support Marchmont’s position. We will elaborate on these two points later.

21 First, we can dispose of the Defendants’ arguments in so far as they rely on what Marchmont did. The letter from Marchmont’s solicitors dated 7 May 2024 merely reiterated what the 2 May Judgment had said without elaboration. This is not inconsistent with Marchmont’s position on the Threshold Question.

22 As regards para 14 of Marchmont’s costs submissions, this paragraph pertained to the *quantum* of costs to be awarded on an indemnity basis and was different from the Threshold Question. Likewise, para 17 of Marchmont’s costs submissions pertained only to the *quantum* of costs to be awarded on an indemnity basis but not to the Threshold Question. Neither of these paragraphs showed that Marchmont was arguing that it was *already* entitled to costs under the 2 May Judgment. They therefore do not show that Marchmont in fact took inconsistent positions.

23 On the other hand, Marchmont is correct that the Defendants’ costs submissions before the Judge contradict their current position on the Threshold Question. As mentioned (above at [13]), the Defendants submit in SUM 34 that the 2 May Judgment had determined the parties’ entitlement to costs, *ie*, that Marchmont was entitled to costs.

24 However, in many of the paragraphs in the Defendants’ costs submissions leading up to and including para 24 thereof, the Defendants were seeking to persuade the Judge to make a Type I order on costs, *ie*, to deny Marchmont **all** of their costs of the first tranche, even though Marchmont was the successful party below (see *Comfort Management Pte Ltd v OGSP Engineering Pte Ltd and another* [2022] 5 SLR 525 (“*Comfort Management*”) at [41]). If the Defendants considered that the 2 May Judgment had already granted Marchmont costs of the first tranche, the Defendants would not have considered it open to them to make this argument; their argument essentially being that Marchmont was *not* entitled to costs. That they *did* meant that they were taking the position that the 2 May Judgment had not yet awarded costs of the first tranche to Marchmont. For completeness, we mention that para 25 of the Defendants’ costs submissions sought an alternative relief, *ie*, that Marchmont be awarded a quarter of its costs instead of all its costs.

25 That is not all. The Defendants also made another alternative argument in paras 26 to 28 of their costs submissions that the Judge should order Marchmont to pay three-quarters of *the Defendants’ costs* of the first tranche because Marchmont had advanced issues and allegations unreasonably. This was referred to as a Type II order on costs, with reference to *Comfort Management* (at [41]). This argument directly contradicted the Defendants’ current position on the Threshold Question. If the Defendants considered that the 2 May Judgment had already awarded Marchmont costs, then it was not open to the Defendants to argue subsequently that Marchmont should pay part of *their costs* (*ie*, that *the Defendants* were entitled to costs).

26 The Defendants sought to overcome these points by arguing that para 6 of their costs submissions had stated that the 2 May Judgment had held that

costs on an indemnity basis be ordered. However, para 6 merely reiterated what the 2 May Judgment had said without elaboration. It did not negate or qualify the fact that the later parts of the Defendants' costs submissions contained arguments contrary to the Defendants' current position on the Threshold Question.

27 While how the Defendants and Marchmont had interpreted the 2 May Judgment in the lead up to the 23 May Judgment is not binding on any court, the positions taken by the parties could assist a court in determining what the 2 May Judgment meant. It would also assist the court in deciding whether to grant any relief to Marchmont should the Defendants be correct on the Threshold Question, if such relief were sought.

28 We next refer to the hearing before the Judge on 23 May 2024. Notably, Marchmont did not make any oral submissions then that because it was already entitled to costs under the 2 May Judgment, it was not open to the Defendants to argue for a Type I order to deny it of all costs or a Type II order for Marchmont to pay some costs of OC 492 to the Defendants.

29 Next, we come to the decision of the Judge on 23 May 2024. His brief grounds state (23 May Judgment at [1]):

As costs follows the event. Marchmont is entitled to costs. In the Judgment for [OC 492], Marchmont was held to be entitled to costs on an indemnity basis pursuant to cl 17(2) of the Tenancy Agreement and cl 9(b) of the Guarantee.

[emphasis added]

30 Considering this paragraph together, we think that the Judge first gave his decision on 23 May that Marchmont was entitled to costs and then recounted

that he had previously in his 2 May Judgment already decided that if costs were to be awarded to Marchmont, it would be computed on an indemnity basis.

31 More importantly, the Judge also considered the merits of the Defendants' costs submissions that he should make a Type I order (to deny Marchmont all or most of its costs) or a Type II order (to order Marchmont to pay some costs to the Defendants). The Judge ruled against making a Type I or Type II order on the merits. He did not say that it was not open to the Defendants to make those arguments because he had already heard and determined Marchmont's entitlement to costs under the 2 May Judgment. These observations support Marchmont's position on the Threshold Question and our reading of the Judge's decision at [29]–[30] above.

32 Marchmont also relies on the Ideals of the ROC 2021, which it submits encourage parties to file a single Notice of Appeal. According to Marchmont, if the Defendants' position was correct, it would mean that Marchmont would have had to file one appeal first on liability and then another on costs after the quantum of costs was determined. We do not think that this is a valid argument by Marchmont. While parties are encouraged to file a single Notice of Appeal, the relevant question is when time to appeal begins to run. If it ran from 2 May 2024, then Marchmont would have to file a Notice of Appeal on liability by 30 May 2024 even if this might mean that it would then have to file another Notice of Appeal subsequently on costs. Even so, on the facts as we elaborate later, Marchmont could still have filed a single Notice of Appeal by 30 May 2024.

33 We come now to Marchmont's argument that if the Defendants' position on the Threshold Question was correct, this would mean that parties would only

have had seven days (from 23 May 2024 to 30 May 2024) to decide whether to appeal against both the decisions on 2 May (on liability) and on 23 May (assuming that it decided only on quantum of costs).

34 This is not a valid argument. If the Defendants’ position was correct, it would mean that time to appeal began to run after the 2 May Judgment (on liability), for 28 days, and time to appeal began to run after the 23 May Judgment (on quantum of costs), also for 28 days. Marchmont’s argument on this point assumes that it can only file a Notice of Appeal on the 2 May Judgment after the 23 May Judgment is made, but this is *not* correct (see *The “Luna” and another appeal* [2021] 2 SLR 1054 at [103] and [104(a)]). Perhaps what Marchmont means is that, effectively, it would only have had seven days to *decide* whether to file a *single* appeal on liability and on costs by 30 May 2024, but that is a different matter. In any event, there is no great difficulty in having to make a decision within that period. By 23 May 2024, it should have had an idea whether to appeal against the 2 May Judgment. When the costs decision was made on 23 May 2024, it should not take Marchmont more than a few days to decide whether its appeal should include an appeal on costs. After all, the Defendants were able to file a single Notice of Appeal in AD 38 on 29 May 2024 and no good reason was given as to why Marchmont could not have done likewise for its own Notice of Appeal, if it had paid more attention to doing so (thereby avoiding any argument on the point).

35 In the circumstances, although we do not agree with all of Marchmont’s arguments, we are of the view that the first ground of SUM 34 is not valid. The second ground is made on the premise that the first ground would succeed. If Marchmont’s appeal on liability was struck off, its remaining appeal (assuming that a Notice of Appeal could be partially struck off) would appear to be on

costs alone and, according to the Defendants, Marchmont would therefore require permission to appeal, which it did not seek or obtain. However, as the second ground is premised on the Defendants' success on the first ground, the second ground is rendered moot by our decision on the first ground.

36 This is reinforced by the fact that Marchmont had made it clear that its appeal on costs below was premised on the success of its appeal on liability. If the appeal on liability had been struck out, its appeal on costs would have consequently fallen away and there would have been no need for the Defendants to argue that Marchmont would require permission to appeal on costs.

37 As mentioned, we dismiss SUM 34. We order the Defendants to pay Marchmont's costs of SUM 34 fixed at \$8,000, inclusive of disbursements, on a standard basis, bearing in mind that Marchmont is not successful on all its arguments for SUM 34. SUM 34 was an opportunistic attempt by the Defendants to negate AD 46. This should not have been attempted as it was contrary to their own costs submissions before the Judge and the Judge's approach on 23 May 2024, as elaborated above at [29] to [31]. We add that even if we had ruled in favour of the Defendants on the Threshold Question, we would have been inclined to grant Marchmont an extension of time to file AD 46 in the circumstances if such an extension had been sought by Marchmont.

38 We also take this opportunity to offer the following guidance because this is not the first time that an appellate court has had to address arguments as to when time to appeal begins to run where costs orders are made by a lower court in its decision on liability and/or subsequent to that decision on liability.

39 First, solicitors should be alert to check when time to appeal begins to run, and seek clarification from the lower court at the earliest opportunity if there is reason for different views on the point, or when disagreement on this first arises (if it is not too late to seek such clarification).

40 Second, a lower court should consider carefully whether to make any order on costs in granting or dismissing a claim without the benefit of detailed costs submissions from the parties. This is especially so when the court is prepared to hear the parties' submissions on costs. In such circumstances, there is no reason or necessity to make any costs orders before hearing the parties. Further, making costs orders in parts may unnecessarily tie the court's hands and/or give rise to confusion and unnecessary arguments.

41 For example, when a lower court makes an order to grant or dismiss a claim "with costs", what is intended by such an order? Does such an order mean that the plaintiff is entitled to 100% of its costs or is it open to the defendant to argue that a discount of costs ought to be applied for various reasons? Also, will the plaintiff be entitled only to standard costs or may the plaintiff still argue for indemnity costs?

42 Third, bearing in mind O 19 r 4(1) and (2) of ROC 2021 and what we have observed above, it is possible that a costs order may unwittingly start the countdown towards the expiry of the time to appeal when it is not the intention of the court to make a final order on the parties' entitlements to costs.

43 In our view, it would seem more prudent to simply allow or dismiss a claim, without more, followed by the usual direction that the court will hear arguments on costs, if that is the court's intention. An order which appears to

both award costs and also direct that the court will hear arguments on costs is likely to give rise to dispute on the time a Notice of Appeal must be filed, should the parties wish to appeal.

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

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