

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

[2022] SGHC 57

Registrar's Appeal from State Courts No 7 of 2022

Between

LZ Furniture & Decoration Pte Ltd

... Appellant

And

Uni-Flex Technology Pte Ltd

... Respondent

FOUNDATIONS OF DECISION

[Civil Procedure — Striking Out]

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LZ Furniture & Decoration Pte Ltd

v

Uni-Flex Technology Pte Ltd

[2022] SGHC 57

General Division of the High Court — Registrar's Appeal from State Courts
No 7 of 2022

Choo Han Teck J

14 March 2022

16 March 2022.

Choo Han Teck J:

1 The plaintiff and defendant are both companies carrying on the business associated with building construction. A company called GT Building Systems International Pte Ltd (“GT”) was awarded a subcontract by the defendant in a project named “Star of Kovan”. The plaintiff was a subcontractor of GT. The main contractor, who is not concerned in this action, went into difficulties in the project. Consequently, parties downstream were not paid.

2 The plaintiff pressed GT for payment, and GT assigned what it claims to be the debt the defendant owed it, to the plaintiff. This action was commenced by the plaintiff claiming against the defendant for the money assigned to it by GT. It gets a bit complicated because the defendant denies that GT had completed the work and that it had withheld payment to GT.

3 The defendant further avers in its defence that even if GT was entitled to payment, the defendant was entitled to set-off its debt against money owing by GT to it. The defendant avers that there is thus a net sum of \$19,949.83 that GT owes to it.

4 Mr Choy, counsel for the defendant, submits that even if GT had completed its job, the money due was not a debt but a claim in damages. Counsel argued that where a state of accounts is both disputed and complex, the action for a fixed sum is not appropriate, and that a claim for an accounts stated ought to have been the appropriate relief.

5 For those reasons, the defendant applied for the Statement of Claim to be struck off. The Deputy Registrar of the State Courts allowed the application and struck out the Statement of Claim. The plaintiff's appeal to the District Judge was allowed with costs. The defendant thus appealed to this court.

6 A plaintiff is entitled to present his case to the court at trial unless it is obvious that the claim discloses no reasonable cause of action, or is scandalous or vexatious. In this appeal, we are only concerned with whether there is a reasonable cause of action. The plaintiff sues on an assignment of a debt. That is an obvious cause of action. The defendant, however, seems to think that (according to its counsel) the claim will obviously fail (it may not), it should be regarded as a claim so obviously without cause that it ought to be struck out.

7 A reasonable cause of action and a reasonable chance of success are entirely different matters. The plaintiff is entitled to adduce evidence in support of its claim that the claim is a straightforward claim on an assigned debt. If the

defendant is sure that there is no such evidence, its counsel may submit no case to answer at the trial.

8 Mr Choy also argued that the plaintiff has no claim against GT in this or any action, but whether a claim against GT needs to be added in this action is something the plaintiff may have to consider, and it turns out to be a formality, the plaintiff may still obtain leave from the trial judge to amend its pleadings at trial. It is not enough to have the claim against the defendant as presently pleaded to be struck out.

9 The defendant's appeal was therefore dismissed and I ordered costs thrown away fixed at \$5,000 inclusive of disbursements. Costs in the cause would not have been appropriate where the application ought not to have been brought in the first place.

- Sgd -
Choo Han Teck
Judge of the High Court

Choy Chee Yean (R.S. Solomon LLC) for the appellant/defendant;
Adrian Ee Hock Hoe and Joanne Chew Yun Ping (Ramdas & Wong)
for the respondent/plaintiff.
