

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

[2024] SGHC 275

Companies Winding Up No 121 of 2024 (Summons No 2783 of 2024)

In the matter of Section 125(1)(e) of the Insolvency, Restructuring and
Dissolution Act 2018

And

In the matter of RegalRare Gem Museum Pte Ltd (in liquidation)

Between

Kim Dang Dang Pte Ltd

... Applicant

And

RegalRare Gem Museum Pte Ltd
(in liquidation)

... Respondent

GROUND OF DECISION

[Insolvency Law — Winding up — Power of court to stay or terminate
winding up — Application to terminate winding up of company —
Section 186(1)(b) Insolvency, Restructuring and Dissolution Act 2018
(2020 Rev Ed)]

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Kim Dang Dang Pte Ltd
v
RegalRare Gem Museum Pte Ltd (in liquidation)

[2024] SGHC 275

General Division of the High Court — Companies Winding Up No 121 of 2024 (Summons No 2783 of 2024)

Goh Yihan J

24 October 2024

28 October 2024

Goh Yihan J:

1 This application, HC/SUM 2783/2024 (“SUM 2783”), was taken out by Kim Dang Dang Pte Ltd (the “applicant”) to, among others, terminate the winding up of RegalRare Gem Museum Pte Ltd (“RegalRare”) that was ordered on 7 August 2024 in HC/CWU 121/2024 (“CWU 121”). The applicant is a shareholder of 15,000 out of 300,000 in RegalRare. I had provided grounds in *Kingsmen Exhibits Pte Ltd v RegalRare Gem Museum Pte Ltd and another matter* [2024] SGHC 238 (“*Kingsmen Exhibits*”) to explain why a winding-up order was made against RegalRare. I now provide these grounds as a follow-up to *Kingsmen Exhibits* and to explain why I terminated the said winding up after hearing the parties in SUM 2783.

Background facts

2 I begin with the background facts. On 3 January 2024, Kingsmen Exhibits Pte Ltd (“Kingsmen”) served a statutory demand on RegalRare for the sum of \$144,745.68 (see *Kingsmen Exhibits* at [6]). RegalRare did not reply. As a result of RegalRare’s eventual failure to pay this sum, Kingsmen commenced CWU 121 on 10 May 2024 and obtained a winding-up order against RegalRare on 7 August 2024.

3 On 7 August 2024 itself, the applicant arranged for the sum of \$150,000 to be transferred to Kingsmen’s solicitors, TSMP Law Corporation (“TSMP”).¹ Further, on 15 August 2024, the applicant’s director also transferred an amount of \$3,749.43 to TSMP on behalf of the applicant. The applicant therefore transferred a total of \$153,749.43 to Kingsmen, being the amount in the statutory demand which Kingsmen had served on RegalRare, including interest accrued until 15 March 2024.²

4 After these payments, Kingsmen entered into a deed of assignment with the applicant dated 2 September 2024 (the “Deed”).³ Pursuant to the Deed, Kingsmen would receive an additional \$160,000 and thereafter assign all its rights, title, and interests in claims against RegalRare and a related company, Kings Luxury Concepts Pte Ltd, to the applicant. The applicant duly paid the sum of \$160,000 to Kingsmen.⁴

¹ Affidavit of Joseph Christopher Koh Boon Kiok filed on 24 September 2024 (“Applicant’s Supporting Affidavit”) at para 9.

² Applicant’s Supporting Affidavit at para 9.

³ Applicant’s Supporting Affidavit at para 10.

⁴ Applicant’s Supporting Affidavit at para 10.

5 It was against this background that the applicant applied in SUM 2783 to terminate the winding up of RegalRare.

The applicable law

6 Section 186(1) of the Insolvency, Restructuring and Dissolution Act 2018 (2020 Rev Ed) (“IRDA”) provides for the court’s power to terminate the winding up of a company. This provision provides as follows:

Power to stay or terminate winding up

186.—(1) At any time during the winding up of a company, the Court may, on the application of the liquidator or of any creditor or contributory, and on proof to the satisfaction of the Court that all proceedings in relation to the winding up ought to be stayed or terminated, make an order —

- (a) staying the proceedings either altogether or for a limited time, on such terms and conditions as the Court thinks fit; or
- (b) terminating the winding up on a day specified in the order.

7 In *Ascentury International Co Ltd v Viva Capital (SG) Pte Ltd* [2024] 5 SLR 434, the General Division of the High Court held (at [18], citing the New South Wales Supreme Court in *In the matter of Glass Recycling Pty Ltd* [2014] NSWSC 439 at [15]), that a court should consider the following factors when deciding whether to terminate a winding up:

- (a) First, the attitude and interests of the creditors, including future creditors, whose interests might be prejudiced;
- (b) The interests of the liquidator, particularly with regard to remuneration;

- (c) The interests of contributories. In this regard, a stay or termination will not generally be granted unless each member either consents to it or is bound not to object to it, or his or her rights are properly secured;
- (d) The public interest, including matters of commercial morality, and whether all the company's debts have been discharged;
- (e) The company's trading position and general insolvency; and
- (f) Any explanation for any non-compliance with statutory duties and of the circumstances leading to the winding up.

My decision: the winding up of RegalRare should be terminated

8 Applying the factors above, I decided that the winding up of RegalRare should be terminated for the following reasons.

9 First, I was satisfied that the interests of all creditors are protected. In essence, all of RegalRare's creditors have no objections to this application. In fact, other than one creditor, the other creditors have provided undertakings that they will not demand repayment from RegalRare for a period of one year from the date of the court's order terminating the winding up.

10 Second, the liquidator of RegalRare has confirmed that her expenses have been provided for.

11 Third, the shareholders of RegalRare have undertaken to support its financial obligations, including any sums owing to creditors, and to ensure that

RegalRare continues its operations. This would ultimately ensure that RegalRare is able to carry on business if its winding up is terminated.

12 Fourth, I did not see any reason why commercial morality, or the public interest, would be affected by the termination of the winding up. In this regard, I observe that RegalRare has been in business since July 2022 and has not been involved in any other lawsuits or legal proceedings.

13 Finally, I was satisfied that RegalRare has taken proper steps to ensure that the situation leading to the winding up will not occur again. In this regard, RegalRare's director, Mr Seow Kok Chuan, has confirmed that he will remain as director if the winding up were terminated. He has also committed to taking the appropriate steps to ensure that RegalRare's books, financial records, and company documents are properly maintained.⁵

Conclusion

14 For all these reasons, I granted SUM 2783 and terminated the winding up of RegalRare as of 24 October 2024, pursuant to s 186(1)(b) of the IRDA.

Goh Yihan
Judge of the High Court

⁵ Affidavit of Seow Kok Chuan filed on 24 September 2024 at para 11.

Tan Jin Song, Ng Wan Yun Deborah and Georgina Lai Li Yi
(Havelock Law Corporation) for the applicant;
Zhu Ming-Ren Wilson (Rajah & Tann Singapore LLP) for the
liquidator of the respondent.
