

- (1) This judgment DOES/~~DOES NOT~~ need redaction.
(2) Redaction HAS/~~HAS NOT~~ been done.

Clement Yong
District Judge
12 January 2022

IN THE FAMILY JUSTICE COURTS OF THE REPUBLIC OF SINGAPORE
[2022] SGFC 1

Divorce No 5856 of 2019
HCF/DCA 117 of 2021

Between

VZD

... Plaintiff

And

VZE

... Defendant

JUDGMENT / GROUNDS OF DECISION

*[Family Law] — [Matrimonial Assets] — [Division] — [Maintenance] —
[Wife] — [Child]*

TABLE OF CONTENTS

INTRODUCTION.....	1
FACTS	3
BACKGROUND OF THE PARTIES	3
ISSUES TO BE DETERMINED	3
Issue 1 - Division of matrimonial assets	3
MY FINDINGS ON THE POOL OF MATRIMONIAL ASSETS AND ITS VALUE	4
THE PARTIES' DIRECT CONTRIBUTIONS	24
THE PARTIES' INDIRECT CONTRIBUTIONS	26
WEIGHTAGE OF DIRECT AND INDIRECT CONTRIBUTION RATIOS.....	30
THE ADVERSE INFERENCE CLAIMS BY THE WIFE	32
Issue 2 - Maintenance for the Wife.....	35
Issue 3 - Maintenance for the children.....	36
COSTS	39
CONCLUSION	39

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.

VZD

v

VZE

[2022] SGFC 1

Family Court — Divorce No 5856 of 2019
District Judge Clement Yong
12 May 2021, 24 August 2021 and 17 September 2021

12 January 2022

District Judge Clement Yong:

Introduction

1 Interim judgment for the parties' divorce was granted on 11 February 2020 and I subsequently heard the ancillary matters over two days in 2021. At the conclusion of the hearing on 24 August 2021, I dealt with the division of matrimonial assets by ordering that the Defendant Husband (the "**Husband**") transfers his share in the matrimonial HDB flat to the Plaintiff Wife (the "**Wife**"), and that the CPF Board transfers \$78,000 from the former's Ordinary Account to the latter's. In respect of maintenance, I ordered the Husband to pay \$2,050 per month for the three children of the marriage but ordered no maintenance for the Wife.

2 On 26 August 2021, two days after I made the above-mentioned orders, the Wife, by way of letter, made a request that by way of clarification that an additional clause be included in the children’s maintenance. A Registrar’s Notice was then sent on 27 August 2021 to parties informing that a clarification hearing was fixed on 16 September 2021. However, before I could hear the parties, the Wife filed a Notice of Appeal (the “NOA”) on 6 September 2021 against the whole of my decision made on 24 August 2021.

3 At the clarification hearing, it transpired that the Wife was actually seeking an additional order for the Husband to bear two-thirds of the children’s future expenses for insurance, major medical treatment, tuition, and enrichment fees whilst she would bear the remaining. What appeared at first instance to be a request for clarification had turned into a substantive hearing in which the Wife sought to make further arguments. At this stage, I took the view that section 29B of the Supreme Court of Judicature Act (Cap. 322)¹ had rendered me *functus officio*² and I was therefore unable to consider any further substantive arguments raised by the Wife, notwithstanding that she originally worded her request as a “clarification”. As such, I could no longer amend the orders I made on 24 August 2021, to which I now give my reasons.

¹ Read with sections 22 and 26(2) of the Family Justice Act 2014 and section 17(1) of the Supreme Court of Judicature Act (Cap. 322) (the “SCJA”)

² Section 29B(2) of the SCJA states that before an NOA is filed, the Judge who made the decision may hear further arguments. This suggests that once an NOA is filed, the court can no longer hear further arguments. Section 29B(4) of the SCJA does not provide relief to the Wife, as her request for further arguments by way of her counsel’s letter dated 26 August 2021 was ambiguous and it was not until the actual clarification hearing on 16 September 2021 that it became clear that the Wife was in substance seeking to make further arguments, by which time she had already filed her NOA and is bound by the consequences of that choice

Facts

4 The Husband and Wife were married on 29 May 1996. There are three children to the marriage, all of whom are minors.

5 The Wife filed a writ for divorce on 5 December 2019. Interim judgment was granted on 11 February 2020 on grounds of the Husband's unreasonable behaviour. In all, the marriage lasted approximately 24 years.

Background of the parties

6 At the time of the hearing, the Husband was 51 years old, and the Wife was 49 years old. The Husband is a director of a company providing education-related services. The Wife was a teacher in the civil service but had tendered her resignation on 13 May 2020. She currently works as a "flexi adjunct teacher". It is not disputed that both parties worked throughout the marriage.

Issues to be determined

7 Prior to the hearing before me, the parties had come to an agreement on the issue of custody, care and control and access to the children, and a consent order was recorded on 17 March 2020 to this effect.

8 The matters that arose for determination before me were the issues relating to the division of the matrimonial assets, maintenance for the Wife, and maintenance for the children.

Issue 1 - Division of matrimonial assets

9 As regards the division of the matrimonial assets, the parties were broadly in agreement that each person should retain the assets in their own

names, and that their matrimonial home in the form of a jointly-held HDB flat should be transferred to the Wife. What they could not agree on was the amount which the Wife should pay to the Husband for this transfer, if at all. The Husband wanted the Wife to pay him 41.5% of the market value of the matrimonial home³ whilst the Wife wanted the transfer to be made absolute without any refunds to the Husband's CPF account⁴.

10 I will begin the assessment of this issue by identifying the items which are included in the matrimonial asset pool and then making a finding on their respective values in the table below. Thereafter, I will explain and give detailed reasons for how I arrived at my conclusions on the items or values which were disputed by the parties.

My findings on the pool of matrimonial assets and its value

S/N	Description	Value (rounded to nearest dollar)
Joint Assets		
1	The HDB Flat	\$580,000
Husband's Assets / Liabilities		
2	POSB Account ending 879	\$11,918
3	OCBC Account ending 001	\$1,341
4	CPF Ordinary Account	\$46,678

³ Husband's Fact and Position ("F&P") Sheet at page 3

⁴ Wife's F&P Sheet at page 2

5	CPF Special Account	\$128,849
6	CPF Medisave Account	\$58,770
7	17,000 shares in Company 'X'	\$450,000
8	Shares in CDP account	\$19,491
9	NTUC Insurance policy ending 578	\$51,397
10	NTUC Insurance Policy ending 497	\$84,883
11	Motor Car	\$16,410
12	ETC Bank Account	\$3,700
13	Loan from Company 'X'	(\$30,000)
Husband's total net assets		\$843,437
Wife's Assets		
14	CPF Ordinary Account	\$95,393
15	CPF Special Account	\$208,603
16	CPF Medisave Account	\$58,134
17	Combined Bank Accounts	\$107,879
18	Shares in CDP Account	\$28,585
19	Insurance Policies	\$55,753
Wife's total net assets		\$554,347
Total matrimonial asset pool		<u>\$1,977,784</u>

11 Unless otherwise explained in the paragraphs below, the figures as set out in the table above were not disputed by the parties⁵. I shall now provide my reasons for how I arrived at my conclusion for each of the items or values disputed by the parties.

12 I now address s/n 1, which relates to the value of the HDB Flat. The Wife submitted for a value of \$580,000 in her written submissions⁶ and maintained the same position on the first day of hearing on 12 May 2021⁷. At the same hearing, the Husband conceded that the value ought to be \$580,000⁸, in agreement with the Wife's valuation. However, on the second day of hearing on 24 August 2021, the Wife had a change of position and submitted⁹ that the HDB Flat should be valued at \$550,000 instead. To this end, she referred the court to the figures which she obtained from desktop research, presumably from the HDB website, which is now set out below.

⁵ Based on parties' respective Fact and Position Sheets and written submissions

⁶ Wife's written submissions dated 28 April 2021 at [13]

⁷ Notes of Evidence ("NE"), Day 1, Page 3, Line 4

⁸ NE, Day 1, Page 3, Line 27

⁹ NE, Day 2, Page 5, Line 19

Block/ Nearby Amenities ◇	Street Name ◇	Storey ◇	Floor Area (sqm) / Flat Model ◇	Lease Commence Date ◇	Remaining Lease ◇	Resale Price ◇	Resale Registration Date ◇
<u>932</u>	Tampines St 91	04 to 06	132.00 Model A	1985	63 years 11 months	\$580,000.00	Feb 2021
<u>936</u>	Tampines Ave 5	07 to 09	122.00 Improved	1988	66 years 11 months	\$553,000.00	Dec 2020
<u>936</u>	Tampines Ave 5	07 to 09	122.00 Improved	1988	66 years 11 months	\$620,888.00	Dec 2020
<u>932</u>	Tampines St 91	01 to 03	132.00 Model A	1985	64 years	\$540,000.00	Dec 2020
<u>932</u>	Tampines St 91	01 to 03	136.00 Model A	1985	64 years 4 months	\$510,000.00	Aug 2020

N.B. Table extracted from pages 20-21 of Wife's written submissions dated 16 August 2021

13 With reference to the table above, the Wife submitted that taking an average of all these figures, \$550,000 would be a fair value of the parties' HDB Flat¹⁰. I could not endorse this approach. Instead, I scrutinised the table and made the following observations. First, there are two flat models listed in the table. As the present flat is a 132 sqm (Model A) flat, I disregarded the data on the 122 sqm (Improved) flats. Second, the remaining figures suggest that the higher the floor and the more recent the transaction, the higher the price a flat would be able to fetch at sale. In the present case, the HDB Flat is located on the 9th floor in Block 932, which is on a higher floor than any of the other 132

¹⁰ NE, Day 2, Page 6, Line 4

sqm (Model A) flats listed in the table. If anything, the data provided by the Wife supports the proposition that a conservative valuation of the parties' HDB Flat will put it at \$580,000, which I find to be the case here.

14 I now turn to s/n 13. This relates to a loan of \$30,000 which the Husband claims he took from Company 'X'¹¹. The Wife took the position that the loan should not be included as part of the Husband's net asset value, for the reason that it was an unsecured loan which was not provided by a financial institution¹², and that there was no documentary evidence that such a loan was made¹³. In response, the Husband directed me to his Affidavit of Assets and Means ("AOM")¹⁴, which shows a loan of \$30,000 made by Company 'X' to the Husband. I therefore accept that the Husband owes \$30,000 to Company 'X', and the fact that the loan was not provided by a financial institution is irrelevant to the fact that the loan was taken, and the Husband has become liable to repay the loan when it falls due. I therefore record the loan as a liability against the Husband's net assets for the purposes of determining the matrimonial asset pool.

15 Before I address s/n 7, which in my view lies the main dispute between parties, I address another category of items which I did not include into the matrimonial asset pool. These are the Wife's jewellery (valued at \$3,000), given to her on her wedding day, and a sum of \$15,375 left to her by her late mother. In respect of the jewellery, the Wife argues¹⁵ these were wedding gifts to her and so should not be included in the matrimonial asset pool. The Husband had

¹¹ Husband's AOM at page 2

¹² NE, Day 1, Page 5, Lines 25 to 26

¹³ NE, Day 1, Page 6, Lines 4 to 5

¹⁴ At page 144

¹⁵ NE, Day 1, Page 10, Line 15

no reply to this and left it for the court to decide¹⁶, other than to suggest that wedding gifts are gifts to a couple¹⁷. I do not agree with the Husband. I accept that the jewellery was given to the Wife personally, and the monies were the Wife's inheritance. As there is no evidence that these were substantially improved by both parties or the Husband during the marriage, I decline to include these items into the matrimonial asset pool.

16 Finally, I turn to s/n 7, which concerns the valuation of Company 'X', for which a lot of ink had been split, primarily because parties had each engaged an expert to provide their opinions on a valuation. Unsurprisingly, both sets of experts (adopting different valuation methods) arrived at different values for the Husband's share in the same company, with the Wife's expert valuing it at \$601,692 whilst the Husband's expert valued it between \$289,000 to \$300,000.

17 To provide some background to Company 'X', it is in the business of providing educational support services, student care services, and kindergarten care services for school-going children. It also runs franchising operations, on which it collects royalty fees. The Husband, together with two other persons (who are not party to these proceedings), each own a third of the equity in the company, wherein each person holds 17,000 shares in Company 'X'. As the value of the Husband's share is disputed, he appointed PKF-CAP Advisory Partners Pte. Ltd. ("**PKF**") as an independent valuer to provide an opinion on the value of his shares, whilst the Wife appointed BDO Advisory Pte Ltd ("**BDO**") for the same purpose.

¹⁶ NE, Day 1, Page 10, Line 19

¹⁷ NE, Day 1, Page 10, Line 30

18 Following these appointments, both sets of experts provided a number of reports and replies, all of which were relied upon by the parties, the order of which I set out below:

S/N	Document	Document date	Remarks
1	PKF's valuation report for Company 'X' as of 31 December 2019 (the " PKF Report ")	23 June 2020	Commissioned by the Husband, prepared by PKF
2	BDO's valuation report for Company 'X' as of 31 December 2020 (the " BDO Report ")	23 February 2021	Commissioned by the Wife, prepared by BDO
3	PKF's rebuttal report on the value of Company 'X' as of 31 December 2019 (the " PKF Rebuttal Report ")	11 March 2021	PKF's rebuttal to BDO's valuation report
4	Affidavit of Mr. Cheng (the " Mr. Cheng's Affidavit ")	23 June 2021	Mr. Cheng is the maker of the earlier BDO report. This is his response to the PKF Rebuttal Report
5	Affidavit of Mr. Ong (the " Mr. Ong's Affidavit ")	23 July 2021	Mr. Ong is the maker of the earlier PKF reports. This is his response to Mr. Cheng's Affidavit

19 I set out below the salient points of each of the documents.

20 In the PKF Report, PKF used the (i) the Discounted Cash Flow (“**DCF**”) method and (ii) the Publicly traded comparable method (“**PTCM**”) to arrive at a valuation of Company ‘X’. PKF arrived at a value of \$292,281 - \$307,412 if DCF was used, and \$281,593 if PTCM was used. It therefore rounded its findings and valued the Husband’s share in Company ‘X’ at between \$289,000 to \$300,000 as of 31 December 2019.

21 In the BDO Report, BDO used the DCF method and valued the Husband’s share in Company ‘X’ at \$418,870 as of 31 December 2019 and \$601,692 as of 31 December 2020. BDO explained that the difference in valuation despite the use of the same methodology was the result of entering different parameters into the DCF model, and materially, BDO did not apply a discount to the final valuation figure for a Discount of Lack of Marketability (“**DLOM**”).

22 In the PKF Rebuttal Report, PKF found some common ground in identifying the different parameters used by both firms which resulted in the difference in valuation. PKF identified that the key reason for the difference can be attributable to BDO not applying a DLOM. PKF then went on to explain that in accordance with the International Valuation Standards and business valuation literature, a DLOM should be applied at a rate of 30%.

23 In Mr. Cheng’s Affidavit, Mr. Cheng, the maker of the BDO report, sought to rebut the PKF Rebuttal Report. He explained that based on his interpretation of the International Valuation Standards, PKF had inadvertently applied a double discount in the process of valuation by adjusting the discount rate to reflect illiquidity in Company ‘X’, and also applying the DLOM where in fact, only one discount for illiquidity should be applied. On a separate point, Mr. Cheng also criticised the PKF report for its conservative projection of the

revenue of Company 'X', which led to a lower valuation of Company 'X' under the DCF method as computed by PKF.

24 In Mr. Ong's Affidavit, Mr. Ong, the maker of the PKF reports, sought to rebut Mr. Cheng's Affidavit. For a start, Mr. Ong focused on the DLDM issue and agreed that valuers should avoid adjusting for lack of marketability twice. However, Mr. Ong stated that PKF did not do that as on the contrary, the DLDM of 30% applied by PKF was an adjustment for lack of liquidity which was made only once, and therefore there was no 'double discounting'. On the issue of why PKF projected lower revenues for Company 'X', Mr. Ong explained it was because some of the company's existing contracts will expire in the years ahead and there is no guarantee the company will retain its current client(s).

25 In view of the above, and having carefully considered the reports and affidavits of the respective experts, I make the following observations:

(a) Not surprisingly, the Husband's expert valued Company 'X' on the low side whilst the Wife's expert valued Company 'X' on the high side. However, both sets of experts agreed on using the DCF method as a valuation tool in the present case and had derived their respective valuation figures using the DCF method.

(b) DCF by all means is not an exact science. When its formula is applied correctly, it guarantees mathematically consistent results. Beyond this, DCF actually functions by requiring its user to feed a substantial amount of forward-looking or projection data into it, and herein lies its limitations. By its very nature, ascertaining forward-looking or projection data requires an element of educated guesswork. This would explain why different professionals, each in their own right

learned and experienced, can exercise professional judgment of the highest level, and still derive dissimilar results in using the DCF model arising from the use of different input data.

(c) In order to arrive at a just and equitable value to the Husband's share in Company 'X', and assuming the DCF method is used, the court needs to consider whether the input data used by the experts is reasonable and acceptable, and then whether a DLOM ought to be further applied to the DCF valuation. If the court makes a finding on the valuation which turns out to be different from the figure provided by either of the experts, this by no means impugns the judgment or professionalism of the said expert. It could just mean that the court prefers the evidence of one expert over the other, or that the court is not prepared to accept certain assumptions made by an expert for lack of evidential basis.

(d) I therefore apply the following framework to explain how I arrived at a finding on what is a just and equitable value of the Husband's share in Company 'X':

- (i) **Step 1:** Identify the appropriate valuation date.
- (ii) **Step 2:** Identify the most contemporaneous valuation report vis-à-vis the appropriate valuation date.
- (iii) **Step 3:** With reference to Step 2, identify the value of the Husband's share in Company 'X' as stated in the valuation report.
- (iv) **Step 4:** Stress test the valuation identified in Step 3 by considering if the input data for the DCF model used in

the said valuation report is reasonable and accepted by the court.

- (v) **Step 5:** Consider, if good reasons exist, whether an adjustment for DLOM ought to be made.
- (vi) **Step 6:** Arrive at a just and equitable value of the Husband's share in Company 'X'.

26 In **Step 1**, it bears highlighting the law concerning the date of valuation of a matrimonial asset. It is trite that all matrimonial assets should be identified at the time of the Interim Judgment, *i.e.*, 11 February 2020 and valued at the time of the first ancillary matters ("AM") hearing, *ie*, 12 May 2021, or closest to that date. The parties were in agreement on this and did not raise any disputes as to the correct valuation date to be used.

27 In **Step 2**, I note that the PKF reports valued Company 'X' as of 31 December 2019 whilst the BDO Report valued Company 'X' as at two different dates, namely, on 31 December 2019 and 2020. Going by these dates, it is the BDO Report which provides a more contemporaneous view on the value of Company 'X', since 31 December 2020 is the closest to the date of the first AM hearing.

28 In **Step 3**, I note that the BDO Report values the Husband's share in Company 'X' at \$601,692.

29 In **Step 4**, I consider whether the valuation method used by BDO is reasonable and can be accepted by the court. To this end, I note that BDO had used the DCF method in arriving at its valuation. I now reproduce below the DCF model used by BDO.

Discounted Cash Flow Analysis					
Values in S\$	FY2021F	FY2022F	FY2023F	FY2024F	Terminal Year
Revenue	3,312,335	3,489,812	3,676,799	3,873,805	3,930,324
YoY growth rate	6.3%	5.4%	5.4%	5.4%	1.5%
Cost of Sales	(423,533)	(446,226)	(470,135)	(495,326)	(502,552)
Gross Profit	2,888,802	3,043,587	3,206,664	3,378,479	3,427,771
Other income	143,605	143,605	143,605	143,605	143,605
Operating expenses (excl. depreciation)	(2,878,206)	(3,032,422)	(3,194,902)	(3,366,087)	(3,415,198)
Depreciation	(63,377)	(63,377)	(63,377)	(63,377)	(63,377)
Operating expenses	(2,941,583)	(3,095,799)	(3,258,279)	(3,429,464)	(3,478,575)
EBIT	90,824	91,393	91,990	92,620	92,801
Less: taxation	17.0% (15,440)	(15,537)	(15,638)	(15,745)	(15,776)
NOPAT	75,384	75,856	76,352	76,875	77,025
Add back: Depreciation	63,377	63,377	63,377	63,377	63,377
Less: Changes in net working capital	394	357	376	396	114
Less: Capital Expenditure ("CapEx")	(63,377)	(63,377)	(63,377)	(63,377)	(63,377)
FCFF	75,778	76,213	76,728	77,271	77,139
Discount Period	0.50	1.50	2.50	3.50	3.50
Discount Factor	0.96	0.87	0.80	0.73	0.81
Present value of FCFF	72,384	66,422	61,014	56,064	687,476

Terminal growth rate (TGR)	1.5%
Discount rate	9.6%

Discounted Cash Flow Analysis	S\$
Enterprise Value (100%)	943,359
Less: Debt as at 31 December 2020	-
Add: Non-operating assets as at 31 December 2020	861,717
Cash & Cash Equivalents	606,717
Amount Owing from Related Parties	255,000
Equity Value (100%)	1,805,076

30 At its very core, the DCF is a valuation method used to estimate the current value of an asset based on its expected future cash flow. A perusal of BDO's DCF model¹⁸ shows that it arrived at a valuation of \$601,692. in the following manner:

¹⁸ See page 38 of the BDO Report

- (a) First, the free cash flow of Company 'X' for the next four years and the terminal year¹⁹ (adjusted to its present value in today's dollars) were added together to give an enterprise value of \$943,359²⁰.
- (b) Second, the non-operating assets²¹ on the company's balance sheet were added to the abovementioned enterprise value to arrive at the equity value of Company 'X', which is \$1,805,076. Since the company has no debt as of 31 December 2020, no deduction to account for debt was made to the equity value of Company 'X'.
- (c) As there are three equal shareholders in Company 'X', the Husband being one of them, his share in Company 'X' is accordingly \$601,692²².

31 On a careful scrutiny of BDO's DCF model, I note that healthy revenue projections were made using year-on-year growth rates between 5.4% to 6.3%. In turn, this higher revenue projection leads to higher projected free cash flows, which leads to a higher enterprise value in Company 'X'. However, I had some concerns about whether BDO's revenue projections were properly supported by evidence. These related to the quality of the information relied upon by BDO in making its revenue projections.

¹⁹ This DCF model involves projecting incoming cash flows for the next four years, then capped off by a terminal year, which assumes that from that point, incoming cash flows will be reinvested, and the company can grow at a constant rate into perpetuity. A terminal value (comprising the value of the company's expected cash flow beyond the forecasted horizon of five years) is then assigned to the terminal year

²⁰ Comprising projected cash flow in FY 2021 (\$72,384), FY 2022 (\$66,422), FY 2023 (\$61,014), FY 2024 (\$56,064), and the Terminal Year (\$687,476)

²¹ Comprising cash and cash equivalents of \$606,717 and accounts receivable of \$255,000, totaling \$861,717

²² Equity value of \$1,805,076 divided by 3, to account for each shareholder's equity in Company 'X'

32 To provide context, BDO had valued Company ‘X’ as at 31 December 2020, by which time Covid-19 had wreaked havoc on many businesses and caused many uncertainties in the commercial sector. It therefore reasonable to expect Covid-19 to have some kind of direct and/or material impact on the business, and in turn, revenue of Company ‘X’. On this note, it was revealed in the BDO Report that in analysing the effects of Covid-19 on the business²³ and the industry outlook²⁴, BDO had relied on discussions with the Wife and **concluded** that Covid-19 is not expected to fundamentally affect the business of the company in the long run.

33 The Husband rightly took objection to such an approach, arguing that the Wife is not an expert or even a member of the industry that Company ‘X’ is in, and is therefore unqualified to give an opinion on these matters. More importantly, it was highlighted that the Wife cannot be relied upon to give such opinion input because she is a party to the proceedings and therefore has a vested interest in the outcome of the valuation²⁵.

34 I agree with the Husband’s submissions. There is a difference between an expert valuer asking the Wife for factual information on a company, such as its financial statements or how many branches it has, versus an expert valuer asking the Wife for her opinion on the effects of Covid-19 on the company. The former is allowed but allowing the latter would suggest some kind of breach of natural justice for *nemo iudex in causa sua* – no one should be a judge in his or her own cause. Further, Mr. Cheng, the maker of the BDO Report, stated in his

²³ See page 7 of the BDO Report

²⁴ See page 44 of the BDO Report

²⁵ See Husband’s submissions dated 28 April 2021 at [127] to [129]

affidavit²⁶ that because he was not appointed as a joint valuer for both parties, he did not find it necessary to obtain further inputs from the management of Company ‘X’, which consists of the Husband and also its two other shareholders, who are themselves not a party to these proceedings.

35 Given the approach taken by BDO in obtaining information, I have my doubts about the quality of information it used to generate revenue projections for Company ‘X’. This is further confounded by the revelation in Mr. Ong’s Affidavit²⁷ that Company ‘X’ has five contracts with a client (the “**Client**”)²⁸ (accounting for much of its revenue), one of which expires on 31 December 2021 and the other four expires on 31 December 2022. As such, PKF had provided the following (lower) revenue forecast for Company ‘X’:

	Historical FY 2019	FY 2020	FY 2021	Forecast		
				FY 2022	FY 2023	FY 2024
Revenue (SGD)	3,064,441	3,116,381	3,312,335	3,285,185	3,176,583	3,176,583
Revenue growth		1.69%	6.29%	-0.82%	-3.31%	0.00%

36 It can be seen that the PKF model does take into account the commercial reality that these contracts may not be renewed, and it had justifiably projected lower revenue growth in the future, resulting in lower free cash flows and accordingly, a lower enterprise value for Company ‘X’ under the DCF model.

37 Based on the evidence, I therefore find that BDO’s revenue projection for Company ‘X’ is overly optimistic and its free cash flow and enterprise value as calculated needs to be adjusted downwards. Save for this, I did not find any

²⁶ At [33]

²⁷ At [27]

²⁸ Client’s full name redacted

other issues with the other input data used by BDO in its DCF model computation. As to the necessary adjustment, I will deal with the mechanics of this in Step 6, after I consider in Step 5 whether an adjustment for DLOM ought also to be made.

38 In **Step 5**, I shall consider if an adjustment for DLOM ought to be made to the valuation of Company ‘X’. As explained in the PKF Rebuttal Report at [8], a DLOM is applied to an asset’s valuation to account for its lack of marketability. This is relevant to the present case as the shares of Company ‘X’, being a private company, may be more difficult to dispose of because there may not be a ready market of buyers for its shares, which would not be the case if Company ‘X’ is a publicly traded company with access to market liquidity.

39 On the evidence, BDO took the position²⁹ that PKF had applied a double discount to the valuation of Company ‘X’ by increasing the discount rate³⁰ used in its DCF model to reflect the illiquidity of the company, and also applying a DLOM on top of the adjustments made to the discount rate. Specifically, it was claimed that PKF, in calculating the discount rate, had unnecessarily applied a size premium of 3.1% and a company-specific risk premium of 1 to 2%, resulting in a lower valuation of the company.

40 Mr. Ong, the maker of the PKF Report, explained in his affidavit³¹ that PKF did not apply a double discount for the lack of marketability, and rebutted BDO’s position head on. He explained that the size premium was applied to

²⁹ See page 3 of Mr. Cheng’s Affidavit

³⁰ Which BDO highlighted as PKF applying a size premium of 3.1% and a company-specific risk premium of 1 to 2%. To see the effects of these numbers on PKF’s DCF model, see page 32 of the PKF Report

³¹ At [14] to [19]

compensate an investor for taking on the additional risk associated in investing in a small company. Separately, Mr Ong also explained that the company-specific risk premium was applied to account for the uncertainties relating to whether the five major contracts the company has with the Client would be renewed.

41 I accept Mr. Ong’s explanation, and find that PKF did not apply a double discount as claimed by BDO. Applying a size risk premium is distinct from the concept of a discount for a lack of marketability. As regards the company-specific risk premium, PKF knew about the uncertainties of the upcoming contract renewals because they had spoken³² with the management of Company ‘X’. BDO apparently did not know about these contractual uncertainties because they did not speak³³ with the management of Company ‘X’. I therefore find that it is reasonable to incorporate a company-specific risk premium in view of the upcoming uncertainties regarding the contract renewals with the Client.

42 It was further highlighted in Mr. Ong’s Affidavit that BDO had failed to adjust for a lack of marketability. Mr. Ong referred to BDO’s DCF model³⁴, wherein a discount rate of 12%³⁵ was applied, and pointed out that the computation did not include any adjustment for a lack of marketability. Indeed, this was the case. This oddity became more conspicuous when I referenced Mr. Cheng’s Affidavit, wherein it was stated³⁶ that BDO’s approach towards applying an illiquidity discount in its DCF model was by way of “adjust[ing]

³² See last paragraph of page 32 of the PKF Report

³³ See [33] of Mr. Cheng’s Affidavit

³⁴ Pages 51 to 55 of the BDO Report

³⁵ Page 54 of the BDO Report

³⁶ See page 5

the discount rate to be applied on the cash flows”. I therefore find that BDO had failed to adjust for a lack of marketability in arriving at its valuation of Company ‘X’.

43 The final question in this part relates to whether a DLOM should be applied, and at what rate. Both experts are in agreement that DLOM should be applied. Conceptually, I also accept that a DLOM should be applied towards the valuation of Company ‘X’ by virtue of it being a private company which makes it less liquid as an investment, thus warranting an illiquidity discount. As for the DLOM rate, I note that PKF gave reasons³⁷ for why it had used a figure 30%, and these reasons were not disputed by BDO³⁸. However, I hesitated to accept the figure of 30% at face value as it is not clear, and PKF did not explain how the interplay of these factors led to its selection of 30% as the DLOM rate. I therefore accept that some discount must be given for DLOM, but on a more conservative basis, which I deal with at Step 6 below.

44 In **Step 6**, I give my findings on what is a just and equitable value of the Husband’s share in Company ‘X’. To recap, I relied on the BDO Report as a starting point since it valued Company ‘X’ as of 31 December 2020. This is because valuation of a matrimonial asset should be done closest to the date of the AM, which in this case was on 12 May 2021. BDO had valued the Husband’s share in Company ‘X’ at \$601,692. However, I could not fully agree with its valuation as it had used overly optimistic revenue projections in its DCF

³⁷ PKF’s Rebuttal Report at [19]. These reasons included the fact that (i) a minority interest was being valued, (ii) the company’s financial statements were not audited, (iii) dividends were paid out over the last two years, (iv) there are no pre-emptive rights, and (v) the company was profitable over the last three years

³⁸ As highlighted at [19] of Mr. Ong’s Affidavit

model and had failed to adjust for DLOM even though BDO stated that it would do so. Therefore, a downward adjustment of BDO's valuation is necessary.

45 In making such a downward adjustment, I did not think it was appropriate, much less necessary, that the court should build its own DCF model and derive its own valuation of Company 'X'. Instead, it will suffice to take a broad brush approach to adjust BDO's valuation figure to take into account the factors I highlighted in the paragraph above. This could entail applying a conservative DLOM rate (lower than 30%) and/or adjusting for the fact that BDO's revenue projections are overly optimistic. On this broad brush approach, I arrived at a figure of \$450,000. This can be reconciled in the following manner:

- (a) Applying a DLOM rate of 25% to BDO's valuation figure without materially adjusting the revenue projections;
- (b) Applying a DLOM rate of 20% to BDO's valuation figure and adjusting the revenue projections downwards; or
- (c) Accepting the approximate midpoint figure between PKF's valuation of \$292,281 - \$307,412 and BDO's valuation of \$601,692.

46 Any of the above approaches will lead to a just and equitable valuation of the Husband's share in Company 'X', which at \$450,000 cannot be said to be manifestly inaccurate based on the evidence before me. What is clear however, is that BDO's valuation of \$601,692 cannot stand for the reasons I have given above.

47 I would like to end this part of the judgment by making an observation on the use of valuation experts in divorce proceedings. The present case shows how the traditional use of different experts by parties can lead to lengthy delays

and high costs in court proceedings. For instance, there was a gap of over three months between the first and second day of hearings so that the respective experts can file affidavits to rebut the earlier report(s) made by the other expert. A total of five reports and affidavits were also filed, which came at a cost of over \$55,000 to the parties (the PKF Reports cost approximately \$25,000³⁹ and the BDO Report costs at least \$30,000⁴⁰). Let that sink in. The parties spent more than 10% of the value of the Husband's share in Company 'X' to determine the value of the said share. This is a disproportionate use of resources and at the end of the day, it is the parties who collectively pay the price as these expenses come out of the matrimonial asset pool.

48 At this juncture, I take the opportunity to highlight to future litigants that there is a more cost-efficient way to approach disputes on the valuation of matrimonial assets. The Family Justice Courts ("FJC"), together with the Institute of Singapore Chartered Accountants ("ISCA"), had on 30 December 2020 collaborated to identify and form a Panel of Financial Experts ("POFE")⁴¹. Comprising ISCA members who are public accountants or ISCA Financial Forensic Professional credential holders with relevant experience, the POFE aims to provide Judges from the FJC with financial valuation reports to assist them at both the mediation and ancillary matters stages, in dealing with issues relating to the division of the matrimonial assets of divorcing parties. The POFE scheme enables the Family Justice Courts to appoint a financial expert from the POFE to assist parties who are embroiled in complicated and contentious financial disputes. The financial expert will assist the Court and the parties in

³⁹ NE, Day 2, Page 57, Line 1

⁴⁰ NE, Day 2, Page 55, Line 14

⁴¹ <https://www.judiciary.gov.sg/news-and-resources/news/news-details/media-release-fjc-and-isca-sign-mou-on-setting-up-panel-of-financial-experts>

providing an equitable and objective valuation of the matrimonial assets under contest, thereby allowing justice to be administered more effectively and efficiently. This means that only one report will be prepared for the court's consideration, and it is envisaged that the POFE scheme will result in greater efficiency and cost savings for parties. Going forward, parties who are interested in the POFE scheme can make this known to the court at the early stages of the proceedings, and the court will provide the necessary information thereafter.

49 In view of my findings above, I now turn to address the issue of how the pool of assets should be divided between the parties. Both parties agreed⁴² that in arriving at a just and equitable division of the matrimonial assets, the structured approach as set out by the Court of Appeal in *ANJ v ANK* [2015] 4 SLR 1043 (“*ANJ*”) should be followed in the present case. This approach would have involved the court first arriving at “a ratio that represents each party’s direct contributions relative to that of the other party, having regard to the amount of financial contribution each party has made towards the acquisition or improvement of the matrimonial assets”: *ANJ* at [22]. Second, the court would consider the parties’ indirect contributions and ascribe a second ratio which represents the contributions of each party to the family’s well-being relative to the other. Thirdly, the court derives an average percentage contribution for each party, at which point further adjustments may be made to account for other considerations: see *ANJ* at [27].

The parties’ direct contributions

50 As per the structured approach in *ANJ*, the first step is to arrive at a ratio that represents each party’s direct contributions relative to the other party as

⁴² NE, Day 1, Page 66, Lines 23 to 24

regards the matrimonial asset pool. My findings on this are set out in the table below.

Item description	Amount		Total amount
Husband's contribution towards HDB Flat	\$207,943 ⁴³	35.92%	
Wife's contribution towards HDB Flat	\$371,024 ⁴⁴	64.08%	
Husband's share of HDB Flat currently valued at \$580,000	\$208,314 ⁴⁵		
Wife's share of HDB Flat currently valued at \$580,000	\$371,686 ⁴⁶		
Current value of the HDB Flat			<u>\$580,000</u>
Husband's net assets in own name	\$843,437 ⁴⁷		
Wife's net assets in own name	\$554,347 ⁴⁸		
Total value of assets held in own names			<u>\$1,397,784</u>
Total matrimonial asset pool			<u>\$1,977,784</u>
Direct contributions of Husband ⁴⁹			53.18%

⁴³ Husband's F&P Sheet on page 1

⁴⁴ Wife's F&P Sheet on page 1

⁴⁵ Calculated at 35.92% x \$580,000 = \$208,314

⁴⁶ Calculated at 64.08% x \$580,000 = \$371,686

⁴⁷ See [10] above

⁴⁸ *Ibid*

⁴⁹ Comprising his share of the HDB flat plus net assets in his own name, divided by the total matrimonial asset pool

Direct contribution of Wife ⁵⁰	46.82%
---	---------------

The parties' indirect contributions

51 In the second step of the *ANJ* structured approach, the court would consider the parties' indirect contributions and ascribe a second ratio which represents the contributions of each party to the family's well-being relative to the other.

52 As regards the indirect contributions, the Husband submitted that the classification methodology should be adopted⁵¹ whilst the Wife submitted that the global assessment method should be used⁵². To this end, I am guided by the Court of Appeal's remarks in *NK v NL* [2007] SGCA 35 ("*NK*"), where it was stated at [33] that both methods are consistent with the legislative framework provided by s 112 of the Women's Charter Act (Cap. 353), and a court may adopt either methodology provided a principled approach is taken.

53 Having considered the present facts, I agreed with the Wife and adopted the global assessment method. I note that the marriage was a long one lasting 24 years and that the parties' indirect contributions had a proportionate effect on the matrimonial assets as a whole. There was no good reason for me to apportion the classes of assets separately, as was the case in *NK*, where the Court of Appeal drew an adverse inference (which affected the quantum of cash assets available for distribution) and found that under such circumstances the

⁵⁰ Comprising her share of the HDB flat plus net assets in her own name, divided by the total matrimonial asset pool

⁵¹ NE, Day 1, Page 65, Line 21

⁵² NE, Day 1, Page 65, Line 8

classification method was more appropriate. In this case, I drew no adverse inferences for reasons which I will explain below.

54 I now turn to the figures submitted by parties. The Husband submitted that indirect contributions by the parties should be weighted equally for the matrimonial HDB Flat⁵³. As for the other matrimonial assets, despite being pressed by the court, the Husband was unable to state a ratio or figure⁵⁴ given his reliance on the classification approach. The Wife on the other hand was unequivocal with her figures. She submitted that the indirect contribution ratio should be weighted 80:20 in her favour⁵⁵.

55 In *USB v USA and another appeal* [2020] 2 SLR 588 (“**USB**”) at [43], the Court of Appeal noted:

In our judgment, the broad-brush approach should be applied with particular vigour in assessing the parties’ *indirect* contributions. This would serve the purpose of discouraging needless acrimony during the ancillary proceedings. Practically, this means that, in ascertaining the ratio of indirect contributions, the court should not focus unduly on the minutiae of family life. Instead, the court should direct its attention to broad factual indicators when determining the ratio of parties’ indirect contributions. These would include factors such as the length of the marriage, the number of children, and which party was the children’s primary caregiver.

56 In the present case, I think it is fair to award 60% of the indirect contributions to the Wife, and 40% to the Husband. Whilst I agree with the Wife’s submissions that she should be awarded with a greater share, I was not able to agree that a split of 80:20 in her favour would accurately reflect the

⁵³ Husband’s written submissions dated 28 April 2021 at [78]

⁵⁴ NE, Day 1, Page 67, Line 23

⁵⁵ Wife’s written submissions dated 28 April 2021 at [41]

realities of each party's indirect contributions to the marriage over a relatively long period of 24 years.

57 Dealing first with the indirect financial contributions, I accept that both the Husband and Wife had contributed to the household and children's expenses, as they were both working during the marriage. The Wife's evidence⁵⁶ demonstrated that she paid the expenses for the first family car, monthly household groceries, family tours, children's tuition, family meals and staycations, and various family insurance and medical expenses. The Husband's indirect financial contributions were not unsubstantial too. His evidence showed that for most of the marriage, he contributed at least \$2,000 per month towards the household and children's expenses⁵⁷.

58 Given that this was a relatively long marriage where the evidence suggests that both parties had pulled their weight in contributing towards the household and children's expenses, I did not see the need to scrutinize with surgical precision each party's actual financial contributions to these expenses. I therefore find that the parties had contributed more or less equally in relation to the indirect financial contributions.

59 As regards the indirect non-financial contributions, I accept that the Wife had contributed her fair share. To this end, she had framed her contributions to the marriage rather prolifically by labelling herself⁵⁸ as a doctor, nurse, teacher, disciplinary master, good habit and hygiene ambassador, cleaner, housekeeper, chauffeur, music teacher, nanny, image consultant, event manager

⁵⁶ Wife's Affidavit of Assets and Means ("AOM") at pages 17 to 22

⁵⁷ Husband's Affidavit of Assets and Means ("AOM") at [15]

⁵⁸ Wife's AOM at page 22 onwards

and liaison, crisis manager, talent scout, dietician, cook, F&B manager, Chinese culture and language “ambassador” & coach, interior designer, handy woman, counsellor, life coach, religious teacher, finance manager, financial consultant, front liner, and scriptwriter. In other words, she was a dedicated wife and mother.

60 I now turn to consider the indirect non-financial contributions of the Husband. He had described his efforts⁵⁹ in this regard with more modesty, but in substance they were no less important. He had supported the Wife throughout her career changes, provided emotional support to her during health challenges, did household chores, cared for the children, and educated them. These are not insignificant contributions.

61 Fortunately for the Husband, I am not one to be impressed nor persuaded by mere labels alone. To attribute 80% to the Wife for her indirect contributions as a whole would disproportionately disregard the Husband’s own indirect contributions, which are substantial in their own right. However, I accept that the Wife had charge of running the household and was also the main caregiver to the three children who are presently in their teens, for which I recognise is a considerable undertaking. Considering the indirect contributions of both parties in totality, and in applying a broad brush approach, I find it fair that the final indirect contribution ratios should reflect a differential of 20% between the parties. I thus award 60% of the indirect contributions to the Wife and 40% to the Husband.

⁵⁹ Husband’s AOM at [22]

Weightage of direct and indirect contribution ratios

62 Now I turn to the weightage to be ascribed to the direct and indirect contribution ratios. In the absence of any good reasons, I agree with the Wife that an equal weightage of 50:50 be attributed to each of the direct and indirect contribution ratios. I do not think this was such a case where the pool of matrimonial assets was accrued by one party's exceptional efforts so much so that the weightage requires tweaking, as previous case law⁶⁰ would suggest.

63 In the third and final step of the *ANJ* structured approach, the court derives an average percentage contribution for each party, at which point further adjustments may be made to account for other considerations. Having already arrived at the direct and indirect contribution ratios, I set out the manner in which the matrimonial assets would be divided in the table below.

Item description	Husband	Wife	Weightage
Direct contribution	53.18%	46.82%	50%
Indirect contribution	40%	60%	50%
Average ratio	46.59%	53.41%	
Share of matrimonial asset pool valued at \$1,977,784	\$921,450	\$1,056,334	
Less net assets in own name	(\$843,437)	(\$554,347)	
Share in the HDB Flat valued at \$580,000	<u>\$78,014</u>	<u>\$501,987</u>	

⁶⁰ See *Yeo Chong Lin v Tay Ang Choo Nancy* [2011] 2 SLR 1157

64 To elaborate on the table above, I had applied the average ratio to the total matrimonial asset pool to arrive at each party's share of the matrimonial assets. Thereafter, I deducted from that share what each party already owns in their own name to ascertain their respective shares in the matrimonial HDB Flat. This would mean that if I had ordered the HDB Flat to be sold, the sale proceeds would be divided \$78,014 to the Husband, and \$501,987 to the Wife as per the table.

65 In the present case, the parties had made clear their positions that the Husband should transfer the HDB Flat to the Wife. I did not see any good reason to depart from this, as it assures that the three children continue to have a roof over their heads, given that care and control is with the Wife. I therefore ordered that all of the Husband's rights, interests, and title in the HDB Flat be transferred to the Wife. Separately, I also ordered that \$78,000 (rounded from \$78,014) from the Wife's CPF Ordinary Account be transferred to the Husband's CPF Ordinary Account to compensate him for his share. This ensures a just and equitable division of the matrimonial assets. For completeness, I note that the Wife has \$107,879 in her combined bank accounts. I did not order the payment of \$78,000 to be made out of her bank accounts as she may require access to these funds for the children's needs in future, whereas her retirement needs are somewhat taken care of with full equity in the HDB Flat, it being capable of generating rental income for her in the future, if necessary. Finally, I also ordered the Wife to bear the costs and expenses of the transfer of the Husband's undivided half share of the HDB Flat to her.

The adverse inference claims by the Wife

66 The Wife had submitted for an adverse inference to be drawn against the Husband and sought a 20% uplift of her share of the matrimonial assets⁶¹. I therefore begin by setting out the legal principles relevant to the drawing of adverse inferences in matrimonial proceedings. The test of whether a court should draw an adverse inference against a party is set out in *UZN v UZM* [2021] 1 SLR 426 (“*UZN*”), where the Court of Appeal made clear that an adverse inference may be drawn where:

- (a) there is a substratum of evidence that establishes a *prima facie* case against the person against whom the inference is to be drawn; and
- (b) that person must have had some particular access to the information he is said to be hiding.

67 In practice, the Court of Appeal cautioned that an adverse inference ought not to be easily drawn against a party unless both the criteria referred to above are satisfied. Specifically, not every shortfall in the account provided by a party would present a suitable occasion for an adverse inference to be drawn.

68 In the present case, the Wife submitted that an adverse inference should be drawn against the Husband because he had not made full and frank disclosure in these proceedings, namely, that⁶²:

- (a) He did not declare all bank accounts held jointly/solely in his own name;

⁶¹ NE, Day 1, Page 50, Line 23

⁶² Wife’s submissions dated 28 April 2021 at [14] to [15]

- (b) He had under declared the value of Company 'X' by excluding one of its assets in the PKF Report; and
- (c) He lied about subletting a particular HDB unit.

69 On the first point, I note that the Wife's real objection is that there was an under declaration⁶³ of the Husband's bank accounts, as there was an OCBC bank account which he held with his mother, which was not declared in his AOM. It was only declared in his Affidavit dated 26 October 2020 made in reply to the Wife's discovery application dated 21 October 2020. In reply, the Husband highlighted⁶⁴ that by the time his AOM was filed on 23 June 2020, the bank account in question had already been closed in January 2020, and the monies were then transferred to his own OCBC bank account, for which he had fully accounted. On a closer scrutiny, it does not appear to be the Wife's submissions that an adverse inference should be drawn because the Husband had other bank accounts which were not disclosed. Instead, the submission was that an adverse inference should be drawn because the Husband did not declare that one other bank account⁶⁵ he jointly held with his mother. Having considered the facts, I accept the Husband's submissions and find that he was not hiding any information. On the contrary, he had disclosed the necessary information pursuant to discovery. No adverse inference is drawn following this point.

70 Second, the Wife framed the Husband's lack of full and frank disclosure as one not to the court, but one to PKF, who was engaged by the Husband to value Company 'X'. Specifically, the Wife states that the Husband had omitted,

⁶³ NE, Day 1, Page 52, Line 24

⁶⁴ Husband's Affidavit dated 26 October 2020 at [54]

⁶⁵ NE, Day 1, Page 53, Line 28

for valuation purposes, to inform PKF of this other asset⁶⁶ (the “**Asset**”) which was owned by Company ‘X’. However, this argument held no weight as the PKF report specifically mentioned and took into account the revenue generated by the Asset⁶⁷. It therefore cannot be said that the Husband had failed to disclose the Asset to PKF.

71 On the third point, the Wife argues that the Husband had engaged in illegal subletting activities, namely, that he had illegally sublet a HDB unit in contravention of HDB guidelines⁶⁸. As the Husband had failed to disclose this information to the Wife, it was submitted⁶⁹ that an adverse inference should be drawn against him. The Husband replied that he did not conceal any information. In fact, it was precisely because he had disclosed the sublet agreement⁷⁰ that the Wife came to know about this. For this reason, there is no basis to draw an adverse inference against the Husband.

72 On the whole, it was perplexing as to why the Wife had even submitted for adverse inferences to be drawn against the Husband as none of the submissions had even come close to meeting the threshold for an adverse inference to be drawn.

⁶⁶ Name of asset is redacted for the purposes of this judgment. It can be found at [15] of the Wife’s written submissions dated 28 April 2021

⁶⁷ At page 162 of the Husband’s AOM, under the header ‘Revenue’ of the PKF Report

⁶⁸ NE, Day 1, Page 61, Line 4

⁶⁹ NE, Day 1, Page 61, Line 24

⁷⁰ See page 44 of Husband’s Affidavit dated 23 September 2020

Issue 2 - Maintenance for the Wife

73 On the issue of maintenance for the Wife, the Husband offered no maintenance⁷¹ whilst the Wife's very brief written submissions on this matter can be set out in full below⁷²:

[58] That the Defendant pays the sum of S\$1.00 per calendar month as nominal maintenance for the Plaintiff, as in the event she is not able to maintain her employment, she will no longer be gainfully employed.

74 In oral submissions, the Wife informed⁷³ that whilst she is not ill, she suffers from a certain disposition and there is a real possibility that she may have to take time off work in future for her children.

75 The law on nominal maintenance for a wife has been comprehensively set out by the Court of Appeal in *ATE v ATD* [2016] SGCA 2 ("*ATE*") at [27] – [29], where it was made clear that the purpose of nominal maintenance is to preserve the right of a wife to apply for substantive maintenance should the need arise in future. In deciding the issue, the court needs to closely examine the facts and circumstances of the case in order to arrive at a principled decision as to whether or not nominal maintenance ought or ought not to be ordered. It is important, at this juncture, to point out that as this is quintessentially a factual inquiry. The court does not order nominal maintenance automatically or as a matter of course. Further, it will not suffice for the wife to argue, without more, that she is entitled to an order of nominal maintenance simply because her situation might change in the future

⁷¹ Husband's F&P Sheet at page 3

⁷² Wife's written submissions dated 28 April 2021

⁷³ NE, Day 1, Page 75, Line 23 onwards

76 On the Wife's arguments, I note that she is merely relying on the fact that her situation might change in future. This is entirely speculative, and without anything more, I am bound by the applicable principles as set out by the Court of Appeal to dismiss the Wife's claim for nominal maintenance. On the facts, I also note that the Wife has an earning capacity in excess of \$7,500 per month⁷⁴, and has been awarded with full equity in the HDB Flat, which can generate rental income for her in the future if required. There is therefore no basis, other than pure conjecture, that the Wife may even require substantial maintenance in future. Accordingly, I agree with the Husband and ordered no maintenance for the Wife.

Issue 3 - Maintenance for the children

77 In relation to maintenance for the three children, the Husband proposed that both parents bear their expenses equally⁷⁵ whilst the Wife asked that the Husband be made to bear 65% of the children's expenses⁷⁶. In deciding this issue, I must have regard to section 69(4) of the Women's Charter (Cap. 353), which amongst other things require me to consider the needs of the children, as well as the ability of the parents to pay for these expenses.

78 On the ability of the parents to pay, I note that the Wife works as a "flexi adjunct teacher" and had disclosed that her take home pay is more than \$4,000 per month⁷⁷. The Husband has a take-home monthly income of \$7,800 as a director in Company 'X'⁷⁸. Relating to the needs of the children, the parties

⁷⁴ Wife's 1st AOM at [3]

⁷⁵ Husband's F&P Sheet at page 3

⁷⁶ Wife's F&P Sheet at page 6

⁷⁷ Wife's AOM at page 32, para (ii)

⁷⁸ Husband's AOM at page 3

assisted me by providing the following figures in respect of the children's monthly expenses:

Child	Husband's figure⁷⁹	Wife's figure⁸⁰
Oldest child (18 y/o)	\$1,801	\$831 ⁸¹
Middle child (16 y/o)	\$1,898	\$1,344 ⁸²
Youngest child (9 y/o)	\$995	\$920 ⁸³
Total	<u>\$4,694</u>	<u>\$3,095</u>

79 I note that the Father's figures appear to be an estimated all-encompassing figure for the children's full expenses, whilst the Mother's figures comprise only the children's fixed monthly expenses, and she lists separately the children's additional expenses which will vary with each child's needs as they grow up or make a one-time big ticket purchase for their educational needs.

80 In this situation, where the children's expenses are fluid and can change unpredictably depending on their lifestyles and educational needs and choices in future, I was of the view that the Wife's framework in differentiating between the children's fixed and variable expenses is a fairer one to adopt. I therefore accepted the Wife's figures vis-à-vis the fixed expenses (which are unlikely to

⁷⁹ Father's AOM at pages 9 to 10

⁸⁰ Mother's written submissions dated 28 April 2021 at [51]. These figures are her estimates of the fixed components of the children's maintenance

⁸¹ This comprises \$489 plus 1/3 of the household expenses of \$1,036 (estimated by the Mother) attributable to the child

⁸² This comprises \$1,002 plus 1/3 of the household expenses of \$1,036 (estimated by the Mother) attributable to the child

⁸³ This comprises \$578 plus 1/3 of the household expenses of \$1,036 (estimated by the Mother) attributable to the child

change going forward) and ordered the Husband to pay two-thirds of these fixed expenses given that he is earning twice the amount which the Wife earns. This means that the Husband is ordered to pay \$2,050 for the children's monthly maintenance at \$550, \$890, and \$610 for the oldest, middle, and youngest child respectively. This is consistent with the Wife's proposal⁸⁴ that the Husband pays 65% of the children's fixed expenses.

81 As regards the children's variable expenses, the Wife proposed that the Husband also bears 65% of these expenses as and when they arise⁸⁵. However, the very nature of variable expenses mean that they may or may not arise, and if so, there is also the added uncertainty of when they might arise. Therefore, when such expenses crystallises, the parties could well be at very different financial stations in life compared to where they were the time of my order. As such, I decided not to complicate matters and made no order on how the variable expenses for the children should be borne. I was of the view that my orders on the children's fixed expenses can be used by the parties as a launchpad to further their co-parenting efforts, part of which has to entail discussing with the other, as responsible adults and parents, how the children's future variable expenses can be apportioned and paid for.

82 For completeness, I now return to the Wife's Counsel's letter dated 26 August 2021 in which the Wife requested for a "Clarification Hearing"⁸⁶ but in reality, sought to make further arguments for an additional order to be made in respect of the children's future ad-hoc expenses. Having explained above at [2] – [3] why I was unable to hear the Wife, I would clarify that even if I had done

⁸⁴ Wife's written submissions dated 28 April 2021 at [56]

⁸⁵ *Ibid*

⁸⁶ At [5]

so, my orders would have remained unchanged in view of my findings in the paragraph above. The overarching theme remains that the parties should learn to co-parent going forward and casting unfounded aspirations⁸⁷ on the other parent can only create acrimony and be counterproductive to any ongoing co-parenting efforts.

Costs

83 Finally, I turn to the issue of costs. The Wife submitted for costs of \$10,000 and disbursements of \$15,000, the latter being half of the cost of the BDO Report which the Wife commissioned. The Husband also submitted for costs of \$10,000 but accepted that each party should pay their own disbursements in respect of the expert reports.

84 Having considered the case in totality, neither party had been entirely successful in their cases. Where disbursements were concerned, both parties had spent considerable sums on engaging experts, neither of whose reports I accepted in its entirety. Therefore, I find that the fairest order to make should be that each party bear his or her own costs and disbursements.

Conclusion

85 To conclude, it would be safe to say that parties have rather unnecessarily expanded considerable resources on litigating this matter. It may perhaps serve as a timely reminder to parties that continuing down this road is likely to lead to a needless diminishing of their assets, and to a lesser extent, their quality of life and that of their children.

⁸⁷ See paragraph [2] of the Wife's counsel's letter dated 26 August 2021, wherein the Wife states her doubt that the Husband would be open and cooperate to co-pay for the children's expenses. Such a view, however, is unsupported by the evidence

