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## When a Singapore couple fight over a \$1m wedding hongbao



The unusually big gift turned out to be one of the focal points of the couple's bitter court brawl. PHOTO: PEXELS



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PUBLISHED 5 JUN 2022, 5:00 AM SGT

SINGAPORE - Most of us take hongbao in our stride, no doubt grateful for cash gifts that can range from \$100 to thousands of dollars in some cases. But what if you opened your red packet and found \$1 million?

Well, that is just what happened at a wedding here when the groom's father handed over a red packet containing a \$1 million cheque when the newlyweds paid their respects to their parents during the customary tea ceremony.

The unusually big gift turned out to be one of the focal points of the couple's bitter court brawl when their barely three-year union fell apart.

Another bone of contention was the husband's golf membership at the Singapore Island Country Club (SICC). It was valued at \$225,000 during the trial last year, but now some members are putting theirs on the market for close to \$300,000.

The husband is the chief executive of a company in the oil and gas sector while the wife is a dentist at a private clinic. The two, who are in their 30s, have a son who is seven this year.

It is notable that their divorce will become a reference for future cases after three judges of the Appellate Division of the High Court decided how valuable assets would be shared in a family.

## Who owns that big hongbao

The million-dollar question was simply this - when the father of the groom handed over the gift at the tea ceremony, did he intend to give it to the couple or just to his son?



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When this case came before the High Court, it ruled that the father had intended the money to go to his son only because the bride was given \$20,000 worth of jewellery at the same ceremony.

And before the wedding, the groom's father had bought a \$270,000 BMW car for his daughter-in-law, who also received jewellery worth \$100,000 from her husband.

The judge noted that the husband later deposited the \$1 million into his own bank account, not a joint one.

But the appeals court disagreed and ruled earlier this year that the money was meant for the couple and not just the husband, due to how and when the hongbao was given.

Judge of the Appellate Division Woo Bih Li noted that if the father had wanted to give the money to his son only, he could have done so before or after the wedding.

"However, he chose to do so at the tea ceremony for the marriage. This is a significant occasion where the parties pay their respects to senior members of the family," he said.

"The overt act of presenting a gift during such a ceremony would be viewed objectively as a gift to the couple in the absence of evidence to the contrary."

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In particular, the wife also produced a compelling piece of evidence - a secretly recorded conversation where she and her husband spoke about the gift.

While this happened around two years after the wedding and when the marriage was already on the rocks, the couple's conduct sheds light on how they viewed the gift.

Justice Woo said: "We are mindful that the wife had recorded the conversation without the husband's knowledge and thus she had that advantage over him. Nevertheless, the substance of the conversation showed that the wife had explicitly asserted to the husband more than once that the \$1 million gift was for both of them."

The husband did not correct her during the whole conversation by asserting that the gift was for him only. Instead, he gave various other reasons but in the end, he still relented and made the following remark: "It is for us, yes. But it is also for me to be the one that makes the decision. That's a reason why he gave me the money."

As a result, the court ruled that the husband could not keep the \$1 million to himself and the money was included in the couple's matrimonial assets that were up for division.

### The SICC membership

An asset that is owned prior to the marriage is usually excluded from the split during the divorce unless the other spouse has made substantial contribution or improvements to it.

The husband argued that his SICC membership should be excluded because it was a gift from his father before the marriage.

Moreover, he argued that even if the membership had been used for recreation or social purposes by both parties during the marriage, the wife did not make any monetary contribution to the membership since his father paid for it.

But the wife countered that the court was not shown any evidence that the father had indeed given the membership to the son prior to the marriage. This point would have been easy to prove if the husband had obtained relevant information from the club, such as when it was bought.

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Justice Woo noted that none of these points were made known during the trial.

"While it could well be that the membership was acquired before the marriage and paid for by the father, it was for the husband to prove this, which he failed to do," he noted.

So the club membership became part of the matrimonial assets.

In all, the couple's combined pool of assets, which included the \$1 million hongbao, the SICC membership, the husband's Maserati and the wife's BMW cars, were valued at about \$2.4 million. The couple did not have their own property because they were living in a bungalow that was the home of the husband's parents.

As this was a short marriage and the bulk of the monetary contribution came from the husband, the wife was given over a third share of the pool, or about \$820,000, because of her indirect contribution of taking care of their son.

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## Financial points to note

It is increasingly common for parents to be involved in their children's divorce trials because they have given substantial monetary gifts that they want to reclaim after the marriages fail.

There are two lessons that such parents can learn from this court ruling.

### 1. Timing of the gift

Parents who want to give big gifts to their children only should do so way before the wedding and where possible, not in the presence of their spouses, so that the motive behind the gifts is clear. As the court ruled, gifts made during the wedding, especially during customary practices, will be viewed as being given to the couple, and not just the recipient.

### 2. Details of the gift

It is important to keep proper records of all valuable transactions so that you can always stake your claims later, if need be.

When it comes to disputes, documentary proof often helps to win the case.

That said, while it is important to have a good financial plan when couples get married, the best investment that anyone can make is to ensure that their marriage will last. After all, happily married old couples will tell you that their long-lasting relationship is more valuable than all the assets that they can ever own.

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