Keppel Tatlee Bank Ltd v Teck Koon Investment Pte Ltd and Others
[2000] SGHC 29

Case Number : Suit 994/1999

Decision Date : 29 February 2000

Tribunal/Court : High Court

Coram : Lai Siu Chiu J

Counsel Name(s) : Vinodh S Coomaraswamy and Yarni Loi (Shook Lin & Bok) for the plaintiffs; Angelina Hing and Jill Tan (Engelin Teh & Partners) for the second and third defendants

Parties : Keppel Tatlee Bank Ltd — Teck Koon Investment Pte Ltd

Equity – Defences – Estoppel by representation – Pre-requisites – Whether representation made to purchasers of property – Whether reliance by purchasers on representation – Whether unconscionable for defendants to invoke estoppel by representation

Equity – Defences – Estoppel by acquiescence – Pre-requisites – Whether plaintiffs know defendants' rights

Equity – Relief – "Clean hands" – Whether to deny defendants equitable relief due to unconscionable conduct

Land – Conveyance – Mortgages – Registered legal mortgagee – Whether legal interest of registered legal mortgagee has priority over any equitable interest of defendants – s 48 Land Titles Act (Cap 157)

: This is a claim for vacant possession of a semi-detached house situated at No 267D Upper Paya Lebar Road Singapore (`the mortgaged property`).

The facts

Keppel Tatlee Bank Ltd (`the plaintiffs`) are a company incorporated in Singapore and carry on the business of banking; they have a branch at No 101, Upper Cross Street [num]B1-49, People`s Park Centre, Singapore (`the People`s Park branch`). The first defendants. Teck Koon Investment Pte Ltd (`Teck Koon`), a Singapore company, are property developers. The third defendant Teo Keng Keong (`Teo`) is currently the sole proprietor of a law firm (Sukumar & Teo); he was called to the Singapore Bar in 1972. His area of practice for the past ten years has been solely conveyancing and he was at all material times the solicitor for Teck Koon. The office of Sukumar & Teo is in the same building as the plaintiffs` People`s Park branch, but on the 6th storey. Teo and the second defendant Goh Eng Keah (`Goh`) (they described one another as `business partners`), purchased the mortgaged property from Teck Koon on or about 14 November 1994.

Pursuant to a facility letter dated 8 March 1994, the plaintiffs had extended overdraft facilities (`the facilities`) to Teck Koon who, at all material times maintained an account with the plaintiffs at the People`s Park branch. The facilities were in the nature of an `Acquisition Facility` which was meant to finance the acquisition of the land on which the mortgaged property stood, for purposes of development, and a `Construction Facility` which was intended to finance the construction of two semi-detached houses on the land including the mortgaged property. At the material time, the land was known as No 267B, Upper Paya Lebar Road and was divided into plots 1 and 2. Plot 1 was re-numbered and is now the mortgaged property while plot 2 became No 267E Upper Paya Lebar Road.

The facilities were secured by a mortgage and a deed of assignment dated 2 April 1994 over the land.

The mortgage in favour of the plaintiffs was duly registered. By the terms of the mortgage, Teck Koon agreed (inter alia) not to sell or part with possession of the land or any part thereof without the prior consent of the plaintiffs. By the terms of the deed of assignment, Teck Koon covenanted with the plaintiffs:

(a) that it would not sell any unit to be built at less than such price as the plaintiffs may fix at any time at its absolute discretion;

(b) to notify the plaintiffs immediately upon signing an agreement with any purchaser and give the plaintiffs a copy of the signed agreement and all such other information relating to the unit sold as the plaintiffs shall require;

(c) that so long as any money remained outstanding under the mortgage and assignment, Teck Koon would direct the purchasers to pay all moneys due to the plaintiffs for Teck Koon`s account or Teck Koon`s Project Account (if applicable).

As Teck Koon`s development of the land comprised less than four units, s 9 of the Housing Developers (Control and Licensing) Act (Cap 130) and the Housing Developers (Project Account) Rules did not apply. Thus, there was no requirement on Teck Koon to open and maintain a Project Account with the plaintiffs.

On 14 November 1994, Teck Koon entered into an agreement (`the agreement`) to sell plot 1 to Yap Siew Hoe and Choo Choon Wah (`the nominal purchasers`) for $1.8m. The plaintiffs were not informed of and were not aware of, the sale at the time. Choo Choon Wah is Teo`s sister-in-law while Yap Siew Hoe is Goh`s niece. The nominal purchasers executed a Letter of Confirmation of Trust (dated 14 November 1994) confirming that plot 1 was held on trust for Teo and Goh and undertaking to execute a Deed of Trust as and when required. The nominal purchasers obtained an overdraft facility for $1.25m from the Industrial & Commercial Bank Ltd (ICB) to part-finance the purchase of plot 1. Teo was the solicitor for the nominal purchasers, Teck Koon and ICB in the entire transaction.

On 14 November 1994 itself, the sum of $360,000 amounting to 20% of the purchase price of plot 1 was paid directly to Teck Koon in accordance with cl 3(1)(a) and (b) of the agreement. The fact and nature of this payment was not revealed to the plaintiffs at this point in time.

It was only on 18 September 1995 (see AB201) that Teo as solicitor for Teck Koon, wrote to seek the plaintiffs` consent to the sales of plot 1 (at $1.8m) and plot 2 (at $1.948m). The letter however was ambiguous; it did not reveal the identity of the purchasers nor did it state the date on which plot 1 was sold. Further, a copy of the agreement was not forwarded together with the letter of 18 September 1995. The fact that Teck Koon had already received 20% of the purchase price of plot 1 was also not told to the plaintiffs.

In the letter of 18 September 1995, Teck Koon also requested a discharge of the mortgage upon receipt by the plaintiffs of 70% of the purchase prices of plots 1 and 2. The plaintiffs` solicitors replied on 20 September 1995 (AB205) giving their approval of the sale prices but stated that the mortgage would be discharged only upon the plaintiffs` receipt of the full purchase price for each plot. On 28 September 1995 (AB227), Teck Koon wrote to the plaintiffs direct regarding the sale of plot 2. The plaintiffs were told that two ICB cheques for a total sum of $584,400 that were being deposited into Teck Koon`s account with the plaintiffs were payments for plot 2 and the plaintiffs were requested to deduct the amounts from Teck Koon`s overdraft account and loan.

Between September 1995 and July 1996, Teo and Goh made several progress payments to Teck Koon

towards the purchase price of plot 1. These progress payments were by way of cheques which were deposited into Teck Koon`s account with the plaintiffs. The total sums paid into Teck Koon`s account with the plaintiffs amounted to $1.26m which constituted 70% of the purchase price of plot 1. The details of the progress payments are as follows:

Date		Mode of Payment	Amount (S$)
26.9.95		ICB cheque No 203151	95,000.00
27.9.95		ICB cheque No 300056	95,000.00
28.9.95		ICB casher`s order No 957066	350,000.00
9.12.95		ICB casher`s order No 957276	270,000.00
11.3.96		ICB casher`s order No 957553	270,000.00
15.7.96		ICB casher`s order No 957992	180,000.00
		Total:	1,260,000.00

There was no express request to the plaintiffs as to how these funds were to be applied. Meanwhile, the plaintiffs continued to disburse moneys progressively to Teck Koon pursuant to the facilities. Nothing eventful transpired between the plaintiffs and Teck Koon during this period except for a brief letter dated 14 February 1996 (AB288) from the company to the plaintiffs informing the latter that plots 1 and 2 had been sold.

On or about 1 July 1996, the Temporary Occupation Permit (TOP) for the two semi-detached houses was issued. Teo and Goh took vacant possession of the mortgaged property on or about 4 July 1996 and have since leased out the mortgaged property to one Choo See Chiah.

On 26 November 1996 (AB366), Teo as solicitor for Teck Koon, wrote to the plaintiffs requesting a partial discharge of the mortgage in respect of plot 2; no mention was made of plot 1. The plaintiffs` solicitors informed Teo that their clients were agreeable to the request as the remaining security over plot 1 was sufficient to cover the outstanding debts at that time. Consequently, the overdraft limit for the Acquisition Facility was reduced. On 7 January 1997, the mortgage over plot 2 was discharged. On Teck Koon`s application for subdivision in January 1997, two (2) new Certificates of Title for plots 1 and 2 were issued by the Land Titles Registry and the mortgage in favour of the plaintiffs was now endorsed on the Certificate of Title for the mortgaged property.

From December 1997 onwards, Teck Koon failed to service the outstanding amounts on the overdraft account satisfactorily. On 20 July 1998 (AB453), the plaintiffs recalled the facilities and demanded repayment of the sums then due and owing. When Teck Koon failed to respond, the plaintiffs` solicitors wrote letters of demand dated 20 August 1988 to the company and their directors (Ang Kim Leng and his wife Tan Bee Leng) as the guarantors. Tan Bee Leng replied to the plaintiffs on 26 August 1988 to say that Ang Kim Leng was abroad and requesting the plaintiffs to hold their hands until her husband`s return to Singapore; through their solicitors, the plaintiffs rejected her request. On 8 September 1998, the plaintiffs (through their solicitors) issued one month`s notice to Teck Koon of their intention to take possession of the mortgaged property. On the same date (see AB468), the plaintiffs` solicitors wrote to `The Occupiers` of the mortgaged property giving a similar notice (the

notice to quit). Teo responded to the notice to quit on 28 September 1998 (AB471-2) in his capacity as his own solicitor and also acting for Goh. It was only then that the plaintiffs were told that Teo had acted for the real purchasers of plot 1, namely, himself and Goh. The plaintiffs then found out that Teo and Goh had paid Teck Koon 90% of the purchase price for plot 1 or the mortgaged property and were seeking the withdrawal of the notice to quit. A copy of the agreement of 14 November 1994 between Teck Koon and the nominal purchasers was shown to the plaintiffs for the first time. Thereafter, it was discovered that the initial 20% of the purchase price paid by Teo and Goh on 14 November 1994 was not deposited by Teck Koon into its account with the plaintiffs.

The pleadings

The plaintiffs claimed delivery of vacant possession of plot 1 now known as the mortgage property against all three defendants. Teo and Goh counterclaimed for a declaration that they be allowed to redeem the mortgaged property upon payment of $180,000 (being 10% of the purchase price of plot 1) into Teck Koon`s account with the plaintiffs. Alternatively, they sought a declaration that they be allowed to redeem the mortgaged property upon payment of $540,000 (being 30% of the purchase price of plot 1) into Teck Koon`s account with the plaintiffs.

On the first day of trial, the plaintiffs applied for and were granted, judgment in default of appearance against Teck Koon; the plaintiffs did not know the whereabouts of the company`s directors who appeared to have absconded.

The evidence

The facts narrated in paras 3 to 13 above were largely borne out by the documents produced in court and corroborated by oral testimony. On the part of the plaintiffs, they called four witnesses who included two branch managers, Ong Hong Kee (`Ong`) who was the branch manager of the People`s Park branch between June 1995 and November 1998 and Lee Kwai Sang (`Lee`) who was the branch manager of the same between 1990 and June 1995 and, who was transferred back there in November 1998 to succeed Ong. The plaintiffs also called as their witness Chee Kwang Shin (`Chee`) who started off as a clerk when he joined the plaintiffs in 1989, rose through the ranks to become the assistant to and then, the credit officer of the People`s Park branch in 1997 and, remained in that post until he was transferred to another branch of the plaintiffs in December 1998. The credit officer who used to be Chee`s superior, (Celine) Yeo Kim Mui, also testified on the plaintiffs` behalf. There is no necessity to refer specifically to the testimony of any of these witnesses as their contention that, the plaintiffs were ignorant of the purchase of the mortgaged property by Teo and Goh through the nominal purchasers as well as the latter`s purported purchase, was not challenged or undermined in any way under cross-examination. Neither could Teo and Goh rebut the testimony of the plaintiffs` witnesses that they were not told by Teck Koon about the sale of either plot 1 or plot 2, in the absence of Teck Koon`s representatives. I therefore have no hesitation in accepting as true, the evidence of these witnesses especially that of Ong, who was since retired and would have no reason to speak ill or in favour, of the plaintiffs. Teo and Goh were the only witnesses for their case; I shall touch on their testimony as and where necessary in the course of this judgment.

The arguments

I next turn to the parties` submissions. The plaintiffs argued that their consent was not sought before the alleged sale of plot 1. Teo as solicitor for Teck Koon was or ought to have been, aware of

the requirement for the plaintiffs` prior consent based on the mortgage documentation. Thus, neither he nor Goh acquired any interest in plot 1 which would bind the plaintiffs. In any event, the plaintiffs argued, their status as legal mortgagee confirmed their priority over any equitable interest either Teo or Goh may have in plot 1. Teo was at all material times aware that the plaintiffs were and still are the legal mortgagees of plot 1. Thus, he should know that any subsequent purchaser of plot 1 would take the property subject to the (plaintiffs`) mortgage.

The plaintiffs also claimed that Teo and Goh should be denied equitable relief because they did not approach the court with `clean hands`. In particular, Teo`s conduct as a solicitor was highly questionable; he acted for Teck Koon, the nominal purchasers, himself and Goh as purchasers as well as for ICB who were the mortgagees of the nominal purchasers, despite the obvious conflict of interests. He should have told but omitted to inform, the plaintiffs important facts about the sale of plot 1.

Teo and Goh on the other hand, argued that the plaintiffs were estopped from enforcing their legal rights under the mortgage by claiming vacant possession of plot 1. The principle of proprietary estoppel was relied upon by both defendants on two bases. Firstly, the estoppel arose from the plaintiffs` representation in their letter dated 20 September 1995 that they would discharge the mortgage upon their receipt of the full purchase price of plot 1, namely, $1.8m. Teo and Goh argued that they relied on that representation to their detriment as they paid a total sum of $1.26m into Teck Koon`s account with the plaintiffs. Having made that representation, both defendants claimed that the plaintiffs then disregarded their rights as purchasers by allowing Teck Koon to make substantial drawings from the latter`s account with the plaintiffs such that the amount outstanding under the said account exceeded the balance of the purchase price due from Teo and Goh.

The second basis for the estoppel was the alleged acquiescence of the plaintiffs in accepting the payments made by both defendants in their capacity as purchasers of plot 1. Teo and Goh argued that the plaintiffs were precluded by such acquiescence from asserting their rights as legal mortgagee against the former.

In any event, the two defendants contended, they were entitled to redeem the mortgage by paying 30% of the purchase price of plot 1 amounting to $540,000 into Teck Koon`s account with the plaintiffs.

The estoppel argument

I will first consider the arguments based on proprietary estoppel as it was dealt with at some length in both parties` written submissions. To establish an estoppel by representation, it must be demonstrated that a party was encouraged to act to his detriment by the unambiguous representation of another such that it would be unconscionable for the party making the representation to insist upon his strict legal rights (**Taylors Fashions Ltd v Liverpool Victoria Friendly Society Ltd** [1982] QB 133).

In this case, the plaintiffs had stated in their letter of 20 September 1995 that the mortgage would be discharged upon their receipt of 100% of the purchase price of plot 1. However, that letter was addressed to Sukumar & Teo, the law firm of which Teo was then a partner, as solicitors for Teck Koon. The plaintiffs were not aware at that time that Teo also acted for the actual purchasers of plot 1 who were himself and Goh. The plaintiffs only found out about the involvement of Teo and Goh sometime in October 1998. It cannot be said therefore that the plaintiffs made a representation to anyone other than the mortgagor of plot 1, namely Teck Koon, when the said letter was written.

Further, the case of **Wardley Ltd v Bestland Development Pte Ltd** [1992] 2 SLR 961 upon which Teo and Goh placed heavy reliance can be distinguished. In that case, the mortgagee stated in a letter to the developer that a partial discharge of the mortgages to any unit would be granted upon receipt of 75% of the purchase price. Unlike the position in the present case, the mortgagee there actually knew that the developer would show the letter to prospective purchasers. The mortgagee also knew of the existence of the purchasers in question at the time the letter was written. The court in that case implicitly accepted that there was a representation to the purchasers but held that the representation could not give rise to an estoppel because it did not unequivocally state that a partial discharge would be granted to the purchaser upon payment of 75% of the purchase price to the developer. I do not think Wardley`s case assists the two defendants` position since the plaintiffs` state of knowledge at the time the letter of 20 September 1995 was written, was completely different from the state of knowledge of the mortgagee in that case.

Even if one takes the position that a representation was made to Teo and Goh as purchasers of plot 1, it would not be unconscionable for the plaintiffs to exercise their legal rights as mortgagees for two reasons. Firstly, the representation made by the plaintiffs in their letter dated 20 September 1995 was induced by Teo`s letter dated 18 September 1995, which letter was ambiguous at best. It was also misleading in the sense that Teo purported to seek the plaintiffs` consent to the sale of plot 1 when it had already been sold. Although it is speculative whether the plaintiffs` response would have been different had they been informed of the concluded sale of plot 1 (and the trust arrangement the nominal purchasers had entered into with Teo and Goh) by Teo`s letter dated 18 September 1995, it would be unjust and inequitable to allow Teo and Goh to rely on the plaintiffs` representation as the basis of an estoppel against the latter when they were responsible for the deliberate omissions in Teo`s letter which preceded the plaintiffs` representation. Secondly, the conduct of the plaintiffs in allowing the withdrawals from Teck Koon`s account was not motivated by any ill-will or disregard for either defendant`s rights. As the plaintiffs did not know of the sale of plot 1 to Teo and Goh, there was no reason nor basis for the plaintiffs to reduce the facilities by the amount of each progress payment. It was reasonable in those circumstances for the plaintiffs to allow Teck Koon to continue to make withdrawals from the latter`s overdraft account.

In any case, there was no reliance by Teo and Goh on the plaintiffs` letter dated 20 September 1995. In my view, the defendants` submission that they made the various progress payments in reliance upon the said letter is without merit. Firstly, Teo and Goh were contractually bound by the agreement to make the progress payments in any event. It is noteworthy that the initial payment of 20% of the purchase price was made by them even before Teck Koon`s letter (written by Teo) seeking consent from the plaintiffs, was sent. Secondly, Teo and Goh consciously took the risk of purchasing plot 1 from Teck Koon despite their knowledge that Teck Koon were an unlicensed developer. The loss now faced by the two defendants as a result of Teck Koon`s inability to satisfy whatever contractual claims that they may have had against the company, would still have materialised even if the plaintiffs had not made the said representation.

As regards estoppel by acquiescence, at law, it has to be shown that the party estopped simply stood by knowing full well that an innocent party was labouring under a mistake as to his rights. There will not be an estoppel by acquiescence unless the party estopped is aware of his own rights and of the innocent party`s mistaken belief (***Taylors Fashions Ltd v Liverpool Victoria Friendly Societies Ltd*** (supra); **Willmott v Barber** [1880] 15 Ch D 96). The requirement of knowledge was recently endorsed by our Court of Appeal in **LS Investment Pte Ltd v Majlis Ugama Islam Singapura** [1998] 3 SLR 754 where it was stated in the context of proprietary estoppel that `one could not acquiesce to something not known` (per Chao Hick Tin J).

Consequently, no estoppel by acquiescence operates against the plaintiffs in this case. There was no mistaken belief on the part of the two `innocent` defendants as to their rights - they had rights as purchasers of plot 1 but chose to conceal that fact from the plaintiffs. In the absence of any proven knowledge on the plaintiffs` part that Teo and Goh were the actual purchasers of plot 1, the plaintiffs` conduct in accepting moneys which were in fact payments made by Teo and Goh towards the purchase price of plot 1, cannot be interpreted as acquiescence on their part.

Unclean hands

It is well established that a person seeking equitable relief must come to a court of equity with `clean hands`; in other words, he must not have behaved unconscionably himself (**Dering v Earl of Winchelsea** [1787] 1 Cox 318; 29 ER 1184, **Duchess of Argyll v Duke of Argyll** [1967] Ch 302).

It is my view that Teo`s conduct as a solicitor was improper in several instances. He acted for Teck Koon in legal matters relating to the company`s development of the land and in the purported sale and purchase of plot 1. He also acted for the nominal purchasers and ICB, the mortgagees of the nominal purchasers, at the time of the purported sale and purchase agreement dated 14 November 1994. In addition, Teo acted for himself and Goh as the actual purchasers of plot 1.

In the course of being cross-examined, Teo had admitted that he did not advise any of the parties he was acting for, to seek independent representation. Despite the obvious conflicting interests of Teck Koon on the one hand and himself and Goh on the other, he did not consider asking either of them to obtain independent representation in the drafting of the sale and purchase agreement. His conduct in failing to properly advise his clients in this respect is in clear contravention of the Legal Profession (Professional Conduct) Rules (`the Rules`). Rule 28 of the Rules states:

> *When accepting instructions to act for more that one party in any commercial or conveyancing transaction where a diversity of interests exists between the parties, an advocate and solicitor shall advise each party of the potential conflict of interests and of the advocate and solicitor`s duty if such conflict arises.*

I am also mindful of s 79(1) of the Legal Profession Act (Cap 161) (`the Act`) which states:

> *Where a solicitor acts for a housing developer in a sale of an immovable property developed under a housing development, neither he nor a member nor an assistant of the firm of which he is a member either as partner or employee shall, in the sale of any immovable property developed under the same housing development, act for the purchaser of the property unless a certificate of fitness for occupation in respect thereof has been issued by the Chief Building Surveyor or other relevant authority.*

I am aware that the above section would technically not apply and Teo would not legally be prohibited from acting for himself/Goh as well as Teck Koon because the latter did not come within the definition of a `housing developer` nor would construction of the two semi-detached houses on the land come within the definition of `housing development`, under the Housing Developers (Control and Licensing) Act (Cap 130), for the reasons stated in para 4 above. Nevertheless, I am of the view that the spirit and intent of s 79(1) of the Act disallows lawyers from acting for even an unlicensed developer and at the same time act for the purchaser, be it the unlicensed developer`s solicitor or

someone else.

In his testimony (N/E 374), Teo also revealed that he was keen to earn commission from his eventual sale of the mortgaged property as the property market was then `very active`. The commission that he sought was in fact a housing agent`s commission payable not by a seller as is customary but, by a buyer, for the purchase of a particular property. Teo admitted quite candidly that this was the reason why plot 1 was purchased in the name of nominees. His conduct in this regard is contrary to a ruling made pursuant to s 5 of the Law Society Conveyancing Practice Directions and Rulings (1996). In substance, the ruling states that an inherent conflict of interest arises in a situation where a person assumes the dual function of both solicitor and housing agent since the solicitor would not be able to act in his client`s best interest. The ruling also states that the trade and business of a housing agent is not compatible with the honour and dignity of the legal profession. A solicitor who assumes the role of a housing agent would open himself to disciplinary action under s 83(2)(i) of the Act as it would detract from the profession of law and is incompatible with it.

Teo`s conduct as a whole was reprehensible. Indeed it calls for sanction from his peers in the legal profession. He did not inform the plaintiffs that he acted for parties other than the developer. He deliberately concealed the fact of the sale of plot 1 from the plaintiffs and did not obtain their prior consent to the sale despite being aware that such consent was necessary. The plaintiffs` consent to the creation of a second mortgage in favour of ICB was also not obtained by Teo even though he must or, should have known as an experienced conveyancer, that such consent was necessary.

The conduct of Teo`s business partner Goh was equally reprehensible. Like Teo, he was anxious to make a quick profit, not just from capital gains but also by way of a housing agent`s commission. Both defendants took a big risk by making a large cash payment to Teck Koon even though they knew the company was an unlicensed developer which was not obliged to maintain a separate project account. This payment was made before the plaintiffs` consent was obtained. It was also made before planning permission was granted in respect of the land and before payment of the development charge to URA was made by Teck Koon. Whilst Teo chose to go ahead with the purchase despite his knowledge of the risks involved, Goh relied completely upon Teo to protect his interests in the sale and purchase of the property. According to his evidence, he entrusted the entire matter relating to purchase of the mortgaged property to Teo, as he is educated in the Chinese medium and does not read English well; in my opinion, Goh behaved recklessly and foolishly.

I have already held that Teo and Goh cannot invoke the principle of proprietary estoppel to establish an equity in their favour. Even if they could establish such an equity, they should be denied any relief because they did not come to court with clean hands. Their blameworthiness clearly has an `immediate and necessary relation to the equity sued for` and is not balanced by any mitigating factors (***Duchess of Argyll v Duke of Argyll*** (supra)); **Singh v Singh** [1985] 15 Fam Law 97).

In any event, the rights of the plaintiffs as the registered legal mortgagee have priority over any equity or equitable interest the two defendants may have in the mortgaged property. This is clearly provided for under s 48 of the Land Titles Act (Cap 157) which states:

> *(1) Except as provided in section 27(6), interests appearing in the land-register shall have priority according to the order of their registration or notification, irrespective of the dates of the instruments by which those interests were created or are evidenced except that where an instrument was materially amended for compliance with the requirements of the Registrar, the priority of that instrument shall be determined by reference to the date of its rectification and acceptance as being in order for registration in the Land Titles Registry.*

(2) Subject to section 11, interests notified on the folio may include mortgages, charges (including statutory charges) and leases registered in the Registry of Deeds.

Whilst it is unfortunate that Teo and Goh can no longer have recourse against Teck Koon, they must accept that their loss was a foreseeable consequence of the risk they willingly undertook. In any event, they only have themselves to blame for their present predicament. In the absence of any equity or equitable interest that bind the plaintiffs, there is no justification for disturbing the plaintiffs` priority in respect of the mortgaged property.

Conclusion

For the reasons given, I am awarding judgment to the plaintiffs as claimed with costs; the defendants shall deliver up vacant possession of the mortgaged property within 30 days of the date hereof. Consequently, the counterclaim of the second and third defendants is dismissed with costs.

Outcome:

Plaintiffs` claim allowed.

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