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DISTRICT JUDGE CHIAH KOK KHUN

7 October 2025

IN THE STATE COURTS OF THE REPUBLIC OF SINGAPORE

[2025] SGMC 59

Magistrate's Court Originating Application No 121 of 2025

Between

World Class Land Pte Ltd

... Claimant

And

Yock Miaw Jiu Jennifer (Yu
Miaojuan Jennifer)

... Defendant

JUDGMENT

[Building and Construction Law – Terms – Authorised deductions
from stakeholding sum – Whether purchaser has taken the requisite

steps to effect deduction of costs of rectification from stakeholding sum]

[Limitation of Actions – Particular causes of action – Whether vendor's cause of action founded on a contract – Whether application of Limitation Act 1959 excluded by Singapore Academy of Law (Stakeholding) Rules (1998 Ed)]

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World Class Land Pte Ltd
v
Yock Miaw Jiu Jennifer (Yu Miaojuan Jennifer)

[2025] SGMC 59

Magistrate's Court Originating Application No 121 of 2025
District Judge Chiah Kok Khun
6 October 2025

7 October 2025

Judgment reserved.

District Judge Chiah Kok Khun:

Introduction

1 This is an application for the release of stakeholding monies held by the Singapore Academy of Law ("SAL").

2 The claimant is a licensed housing developer of the project known as 50 Faber Walk Waterfront@Faber Singapore 128994 (the "Project"). The defendant entered into a sales and purchase agreement ("SPA") on 11 June 2014 with the claimant for the purchase of a unit at the Project (the "Unit") at a purchase price of \$930,750.00 (the "Purchase Price").¹

¹ P 9 of the affidavit of Mr Ong Ghee Seng filed on 14 July 2025 ("Ong's Affidavit").

3 The defendant paid a sum of \$46,537.50 to SAL to hold as stakeholder (the “Stakeholding Sum”) pursuant to clause 5.1.5(a)(i)(b) of the SPA.² The Stakeholding Sum, being 5% of the Purchase Price was to provide for any possible deductions for rectification of defects in the Unit within the one-year defects liability period (“DLP”).

4 The claimant seeks under this application an order for the defendant to authorise SAL to release the Stakeholding Sum to the claimant pursuant to rr 17(4) and (5) of the Conveyancing and Law of Property (Conveyancing) Rules 2011. Alternatively, the claimant asks for an order that SAL releases the Stakeholding Sum to the claimant pursuant to r (7)(3)(b) of the Singapore Academy of Law (Stakeholding) Rules 1998 (“Stakeholding Rules”).

5 The defendant contends that the application should be dismissed on the ground that the defects at the Unit, which were first raised during the DLP are not rectified.

6 For the reasons below, I am allowing the claimant’s application.

Issue to be determined

7 The issue to be determined by me in this application is whether the defendant has taken the requisite steps to effect a deduction of any costs of rectification of the alleged defects from the Stakeholding Sum.

² P 57 of Ong’s Affidavit.

Analysis and findings

8 The determination of this application turns on the related questions of the nature of the Stakeholding Sum and the mechanism involved for deductions from it for costs of rectification of defects.

9 The payment of the Stakeholding Sum was made in the course of the defendant taking possession of the Unit. On 20 June 2017, the claimant's solicitors sent a letter containing the notice to take possession of the Unit to the defendant's solicitors.³ The defendant signed the taking over of the Unit on 21 July 2017.⁴ Pursuant to cl 17.1(a) of the SPA, the one-year DLP was therefore to start on 21 July 2017 and end on 20 July 2018. On 5 December 2017, the defendant, through her solicitors, paid the Stakeholding Sum to SAL by way of a cashier's order.⁵

10 As alluded to above, the Stakeholding Sum paid to SAL was to provide for any possible deductions for defects rectification during the DLP. SAL was to release to the claimant the entire Stakeholding Sum or such balance amount after any authorised deductions for rectification works at the end of the DLP.

11 Turning to the question of defects rectification at the Unit, the evidence shows that the claimant was actively engaging the defendant to rectify defects which she had identified during the DLP. I note that there was a total of six

³ Pp 57-62 of Ong's Affidavit.

⁴ Pp 63-64 of Ong's Affidavit.

⁵ Pp 52-56 of Ong's Affidavit.

defects inspection lists drawn up by the claimant to record the progress of the rectification works as follows:⁶

- (a) Defects inspection list 1 which recorded the joint inspection of the Unit conducted on 16 August 2017; and the rectification works carried out at the Unit that were acknowledged by the defendant on 24 October 2017.
- (b) Defects inspection list 2 which recorded the joint inspection conducted on 24 October 2017; and the rectification works carried out that were acknowledged by the defendant from 25 November 2017 to 2 December 2017.
- (c) Defects inspection list 3 which recorded the joint inspection conducted on 2 December 2017; and the rectification works carried out that were acknowledged by the defendant from 3 January 2018 to 17 January 2018.
- (d) Defects inspection list 4 which recorded the joint inspection that was conducted on 6 April 2018; and the rectification works carried out that were acknowledged by the defendant from 12 May 2018 to 9 October 2018.
- (e) Defects inspection list 5 which recorded the joint inspection that was conducted on 12 May 2018; and the rectification works carried out that were acknowledged by the defendant on 9 October 2018.

⁶ Pp 72-91 of Ong's Affidavit.

(f) Defects inspection list 6 which recorded the joint inspection that was conducted on 25 June 2018; and that the Unit was handed back over to the defendant on 3 November 2018. In this list, a Mr Seah Chong Peng, a representative of the defendant,⁷ signed off that all identified defects had been rectified on 9 October 2018, including one new defect arising from existing work that was identified on 9 October 2018 and rectified on 3 November 2018.

12 As seen, rectification of the defects identified by the defendant was carried out at the Unit by the claimant. The rectification process undertaken spanned the DLP, and included six joint inspections of the defects rectified. I note the defendant signed off on the six defects inspection lists, acknowledging the rectification of the defects as listed.

13 On 11 June 2018, the defendant filed a deduction by purchaser form (“Form 3”) with SAL requesting for a deduction of the Stakeholding Sum to be paid to the defendant.⁸ This presumably would be on the basis of unrectified defects. In response, on 13 June 2018, the claimant filed through their solicitors, an objection by vendor to deduction form (“Form 3A”) requesting SAL to hold the Stakeholding Sum until it receives the earlier of: (a) final instructions, to be agreed by both the defendant and the claimant on payment of the Stakeholding Sum; or (b) a court order for its payment.⁹ On 19 June 2018, the claimant's solicitors wrote to the defendant's solicitors requesting for a detailed justification of the deduction amount of the Stakeholding Sum. On 27 June

⁷ P 92 of Ong’s Affidavit.

⁸ PP 65-66 of Ong’s Affidavit.

⁹ PP 67-68 of Ong’s Affidavit.

2018, the defendant's solicitors responded to the claimant's solicitors that they were not acting for the defendant in matters relating to defects at the Unit.¹⁰ However, the defendant thereafter did not respond with any justification, nor provide any evidence of costs incurred by her for rectification of defects at the Unit.

14 Some six years later, on 4 July 2024, the claimant's solicitors wrote to the defendant requesting that the defendant sign the agreement to pay amount in dispute form ("Form 38") for SAL to release the Stakeholding Sum to the claimant. The defects inspection list 6 was enclosed with the request.¹¹ On 17 July 2024, the claimant's solicitors sent a chaser by email requesting for the defendant to return Form 38. On 18 July 2024, the defendant responded to the claimant's solicitors indicating that she required more time to run through the defects inspection list 6.¹² The claimant's solicitors sent a further email on 11 September 2024 requesting for the defendant to provide a response.¹³ The defendant did not respond thereafter. The claimant filed the present application on 14 July 2025.

The defendant failed to comply with the requisite steps under cl 17 of the SPA

15 The defendant's case is that the application should be dismissed, or stayed, pending resolution of the issues relating to the defects. The defendant contends that significant defects that arose during the DLP were not rectified; the as-built sanitary layout diverged from the approved plans; and her

¹⁰ PP 70-71 of Ong's Affidavit.

¹¹ PP 93-103 of Ong's Affidavit.

¹² PP 105-106 of Ong's Affidavit.

¹³ PP 107 of Ong's Affidavit.

rectification costs and consequential losses remained unresolved.¹⁴ In my view however, the defendant faces an insurmountable hurdle in view of the prescribed mechanism for deductions from the Stakeholder Sum for defects rectification. The mechanism is set out in cl 17 of the SPA. Clause 17 states as follows:

17.1 The Vendor must make good at his own cost and expense any defect in the Unit, the Housing Project, the common property or limited common property (if applicable) which becomes apparent within the defects liability period, namely, the period of 12 months –

- a) from the date the Vendor actually delivers vacant possession of the Unit to the Purchaser; or
- (b) the 18th day after the Purchaser receives the documents specified under item 3 of the Payment Schedule,

whichever is earlier.

17.2 The Vendor must make good any such defect within one month of his receiving notice from the Purchaser requiring the Vendor to make good such defect, failing which the Purchaser may notify the Vendor in writing of the following:

- (a) the estimated cost of carrying out the rectification works as indicated in a quotation of the charges for those works from a building or renovation contractor; and
- (b) the Purchaser's intention to cause the rectification works to be done by his own workmen, agents or contractors if the Vendor fails to carry out those works within 14 days immediately after the date of the notice.

17.3 The Purchaser's notice referred to in clause 17.2 must be given to the Vendor together with a copy of the quotation of the building or renovation contractor referred to in clause 17.2(a)

17.4 If the Vendor, after having been duly notified under clause 17.2, fails to carry out the rectification works to make good the defect within the specified time, the Purchaser has the right to cause the rectification works to be carried out and to recover from the Vendor the cost of those rectification works.

¹⁴ Para 2 of defendant's affidavit.

The Purchaser may deduct the cost of those rectification works from the sum held by the Singapore Academy of Law as stakeholder for the Vendor for this purpose.

17.5 The clause does not excuse the Vendor from his obligations under clause 15.

16 As seen, under cl 17, the requisite steps that the defendant had to take to effect a deduction from the Stakeholding Sum are as follows. The defendant is to first notify the claimant of the defects within the DLP. If the claimant failed, within one month of receipt of the defendant's notice of defects, to rectify the said defects; and the defendant was to inform the claimant of her intention to cause rectification works to be done, together with the estimated cost of carrying out those work. The defendant was to give the claimant an opportunity to carry out the proposed rectification works. If the claimant failed to carry out the rectification works to make good the defects within the period of 14 days as specified in cl 17, the defendant had the right to cause the rectification works to be carried out. In that event, the defendant may deduct the costs of the rectification works that was carried out at her behest from the Stakeholding Sum.

17 Clause 17 thus prescribed a protocol under which the costs of rectification of defects may be deducted from the Stakeholding Sum. In order for such deduction to take place, the prescribed protocol under cl 17 must be adhered to. In the present case, the defendant failed to take any steps under the prescribed protocol. In fact, the defendant has failed to even provide any evidence that she had incurred any costs of rectification.

18 I note in this regard that the defendant's further contention is that her signature on the defects inspection lists was limited to specific items actually inspected at the time and cannot constitute acceptance that the works complied with approved plans, or a waiver of unresolved and recurring defects and

consequential loss.¹⁵ Moreover, she stated in her affidavit that during rainy weather, cockroaches were repeatedly observed emerging around the water closet and bathroom floor. She said that the presence of pests, together with continuing water ponding and chipped tiles, demonstrates that the rectification did not restore the bathroom to proper and sanitary working order. She also alluded to the as-built sanitary point and floor trap differing from the handover layout. She further referred to one of the bathroom floor tiles de-bonding and opined that it is consistent with improper substrate preparation or “movement accommodation”.¹⁶ She also alluded to the “whole-unit loss of use” as a result of the continuous rectification works.¹⁷

19 However, these contentions of the defendant do not assist her in answering the present application. As discussed above, the SPA has prescribed a protocol for deduction of costs incurred for defects rectification from the Stakeholding Sum. The defendant did not avail herself of the protocol. She therefore has no basis to resist the application. For completeness, I note that the claimant takes the position that it has addressed and rectified all of the defendant's identified defects. However, for the reasons just discussed, I need not make a finding on the question of whether the defects were in fact rectified.

20 In view of all of the foregoing, I find that I have no reason not to allow the claimant's application.

¹⁵ Para 7 of defendant's affidavit.

¹⁶ Para 6 of defendant's affidavit.

¹⁷ Para 9 of defendant's affidavit.

The Limitation Act does not apply to the claimant's application

21 For completeness, I note that the claimant's application, which is filed more than six years after its demand for the Stakeholder Sum, is not hampered by provisions of the Limitation Act 1959 ("Limitation Act"). The reason lies in the nature of the Stakeholder Sum.

22 The legal principles in regard to this question were discussed by the High Court in *Lau Soon and another v UOL Development (Dakota) Pte Ltd and another appeal* [2021] SGHC 195 ("*Lau Soon*"). The High Court discussed the nature of a stakeholding agreement at [28] as follows:

28 Generally, where a stakeholder is involved, there are two separate contracts to be considered: *Gribbon v Lutton* [2002] 1 QB 902 at [11]. The first is the contract between the vendor and the purchaser (in the context of a sale of property) which determines when and to whom the stakeholding monies will be paid. This contract is referred to as the bilateral contract. The second is the contract relating to the stakeholding monies between the vendor, the purchaser, and the stakeholder. This contract is referred to as the tripartite contract. Generally, the scope and purpose of the tripartite contract, which is not typically written, is very limited: this contract provides that the stakeholder shall keep the stakeholding monies pending a triggering event and shall make payment in response to that event. The processes and safeguards attending these triggering events thus serve to protect the purchasers and vendors' interest in the stakeholding monies.

29 In the present case, the SPA was the bilateral contract between the Purchasers and the Vendor. Clause 5.4 of the SPA provided that SAL was to hold sums as stakeholder (see [7] above). Accordingly, there was a tripartite contract between the Purchasers, the Vendor, and SAL for SAL to retain the Stakeholding Sum pending a triggering event.

23 In other words, the Stakeholding Sum is held by SAL under a tripartite contract. The three parties to this contract would be the claimant, the defendant and SAL.

24 The High Court went on to hold that the superimposition of the Stakeholding Rules onto the two-contract analysis of stakeholding arrangements result in there being no limitation period applicable to a vendor's claim to the stakeholding monies held by SAL. This is despite the claim being one founded on contract. The High Court stated at [31]-[32] as follows:

31 Thus, to respect SAL's part in this three-party stakeholding relationship, the terms of the tripartite contract must be consistent with the Stakeholding Rules in force at the time into which the bilateral contract (*ie*, the SPA) was entered. In relation to the purchaser and vendor, their part in this relationship is respected so long as those rules protect their interest in the stakeholding monies in the sense described at [28] above. They are designed to. The rules represent the provisions which SAL has determined are "necessary or expedient" for it to carry out its function (see s 27(1) of SAL Act). This necessarily entails the processes and safeguards required to protect that interest. Indeed, if one examines the Stakeholding Rules, it will be found that they provide for how monies are to be paid in, paid out, and the procedures to be followed in the event of a dispute as regards payments out. The last of which being the very situation in the present case.

32 Accordingly, the Stakeholding Rules may be said to constitute the main parameters of the tripartite contract. By "main parameters", I mean that, where the Stakeholding Rules address matters falling within the purpose and scope of the tripartite contract, any terms asserted to form part of their tripartite contract must be within the bounds set by the rules. ... Therefore, where a party seeks recourse by reference to the tripartite contract, they will need to identify an applicable rule in the Stakeholding Rules which can be read as a term governing the tripartite relationship. Or, if there are no relevant rules (though I note this is unlikely given the limited scope of the tripartite contract observed at [28] above), they will need to formulate an applicable term and demonstrate that such term: (a) forms part of the contract; and (b) is not inconsistent with the Stakeholding Rules. I must reiterate that this analysis and approach follows from and indeed serves to reconcile the contractual nature of the three-party purchaser-vendor-stakeholder relationship with the superimposition of the Stakeholding Rules

25 The High Court went on to analyse the application of r 7 of the Stakeholding Rules, at [34]:

34 On this basis, we can turn to examine r 7 of the Stakeholding Rules to determine its applicability beyond the ordinary limitation period. I reproduce r 7 here:

Amounts in dispute

7.—(1) A Vendor who disputes the Purchaser’s notice of deduction, in full or in part, shall notify the Academy, stating the amount in dispute and the amount not in dispute, on such form as may be determined by the Academy and such notice shall be served at least one working day before the due date of payment.

(2) The amount in dispute shall be held by the Academy *beyond the stakeholding period*; and the period during which the amount in dispute is held shall be treated as an extension of the stakeholding period.

(3) The amount in dispute shall be *released* to the parties on the receipt by the Academy of the —

(a) final notice to pay as agreed to by the parties on such form as may be determined by the Academy; or

(b) *court order on the final apportionment or division of the disputed amount*,

whichever is the earlier.

(4) Final payment to the parties of disputed amounts shall be made by the Academy within 7 working days of the receipt of the notice or court order referred to in paragraph (3).

In essence, r 7 provides that the following occurs in a situation where the purchaser has filed a Notice of Deduction and the vendor has filed a Notice of Dispute in response. Firstly, r 7(2) provides that SAL will continue to hold the stakeholding monies “beyond the stakeholding period”. There is no provision of a time limit to this period anywhere in the Stakeholding Rules; this suggests that SAL will hold these monies indefinitely. Secondly, r 7(3) provides that SAL will release the stakeholding monies to the parties only where: (a) the parties notify SAL that they have reached an agreement; or (b) a court order is received by SAL. Hence, once the dispute mechanism under r 7 has been set in motion, these are two triggering events for payment out by SAL of the stakeholding monies. Pending the occurrence of one of the two events, SAL is to retain the stakeholding monies.

[emphasis in original]

26 As seen, the High Court held that r 7 of the Stakeholding Rules do not contemplate a limit to the period of extension of the stakeholding period and provides for payment out only upon the occurrence of one of two triggering events. The two triggering events would be the notifying of SAL of an agreement between the parties and the seeking of a court order respectively. It follows that these two triggering events would remain available to the parties for an indefinite period. As the seeking of a court order is one such triggering event, it must be intended that no limitation period is to apply in respect of the party's action in court to do so. Since the terms of the tripartite contract must be consistent with r 7, it would also follow that the parties would have adopted the same intention when contracting and therefore contracted out of any limitation period that would apply to either party commencing an action under the tripartite contract. Thus, the limitation period has no application to stakeholding monies. In this regard, it should be noted generally that the applicability of the Limitation Act can be excluded by agreement of parties: *Cytec Industries Pte Ltd v Asia Pulp & Paper Co Ltd* [2009] 2 SLR(R) 806.

27 Therefore, in view of the nature of the Stakeholding sum, the Limitation Act does not apply to the claimant's application, and it is not time-barred although it is a contractual claim commenced more than six years after the DLP.

Any contractual claim for defects by the defendant would be time-barred

28 As well for completeness, much like the case of *Lau Soon*, I have no reason to exercise my discretion to convert the present application to an originating claim so that the defendant's contentions could be adjudicated and a final determination may be made on whether the claimant is liable for unrectified defects in the Unit and the quantum of any such liability; before the court makes a final order to SAL to make appropriate payments out of the

Stakeholding Sum to the parties. The reason is that any claims that the defendant might have against the claimant under the SPA in respect of defects at the Unit, *ie*, under the bilateral contract, was time-barred at the time the present application was filed. Any such claims would be for breach of contract, and s 6(1)(a) of the Limitation Act makes clear that actions founded on a contract or on tort shall not be brought after the expiration of six years from the date on which the cause of action accrued.

29 In this regard, I note that by the defendant's own case, the latest date by which she would have been cognisant of any alleged unrectified defects would be sometime in November 2018.¹⁸ As such, more than six years would have transpired by the time of the filing of the present application on 14 July 2025.

Conclusion

30 The defendant has failed to take the requisite steps under cl 17 of the SPA to effect a deduction of any costs of rectification of the alleged defects from the Stakeholding Sum. I therefore have no basis not to allow the claimant's application. In any event, any contractual claim for defects by the defendant would be time-barred.

31 In the premises, I allow the application. I order SAL to release the Stakeholding Sum of \$46,537.50 to the claimant.

32 At the end of the hearing of the application, I had asked parties to address me on the question of costs. I directed parties to submit on the costs that I should

¹⁸ Paras 5-6 of defendant's affidavit.

award in both the event of a favourable outcome, and the event of an adverse outcome, in respect of the application.

33 There is no reason why costs should not follow the event in this case. As the claimant succeeds in its application, costs should be awarded to the claimant. As regards the quantum of costs, App H of the State Courts Practice Directions 2021 at Pt IV, A2 provides for a range of \$2,000-\$15,000 for contested originating applications. Having considered the time that might be spent in preparing for the application, the time taken for the hearing, and the disbursements that would be incurred, I order that the defendant pays to the claimant the total sum of \$3,000 all in (inclusive of disbursements) plus GST if any.

Chiah Kok Khun
District Judge

Ong Lian Min David (David Ong & Co, Advocates & Solicitors)
for the claimant;
defendant in person.