

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

[2026] SGHCR 16

Originating Application No 246 of 2026

Between

(1) United Overseas Bank Limited

... Claimant

And

(1) SGmade Co-Operates Pte Ltd

... Defendant

FOUNDATIONS OF DECISION

[Credit and Security — Mortgage of real property — Mortgagee’s rights —
Whether lender entitled to impose monthly late payment charges for
instalments due after recalling loan]

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United Overseas Bank Ltd
v
SGmade Co-Operates Pte Ltd

[2026] SGHCR 16

General Division of the High Court — Originating Application No 246 of 2026

AR Randeep Singh Koonar
10, 24 April 2026

18 May 2026

AR Randeep Singh Koonar:

Introduction

1 HC/OA 246/2026 (“**OA 246**”) was a mortgage action commenced by United Overseas Bank Limited (“**UOB**”) against SGmade Co-Operates Pte Ltd (“**Defendant**”).

2 Most of the orders sought by UOB were uncontroversial. However, in addition to the usual orders for delivery of vacant possession of the mortgaged property and payment of the outstanding amount due under the loan facility plus interest, UOB sought an order for the Defendant to pay a late payment charge for each *instalment* that was not paid on the due date (“**Late Payment Charge**”). Given UOB had recalled the loan facility and demanded repayment of all outstanding amounts, and was now seeking judgment for the full

outstanding amount, this raised the issue of whether UOB was contractually entitled to impose the Late Payment Charge.

3 When made to explain its position on the issue, UOB conceded that it could not impose the Late Payment Charge in these circumstances and abandoned its claim for the Late Payment Charge by amending the originating application.

4 I granted the orders sought in UOB’s amended originating application. I now set out the grounds of my decision, which will mainly deal with UOB’s entitlement to impose the Late Payment Charge. While the point was ultimately conceded by UOB, it is worth addressing since similar clauses are commonly found in other loan facility agreements granted by UOB as well as other banks. Moreover, UOB had made similar claims for late payment charges in past cases, only to abandon the claim when queried by the Court. This was unsatisfactory and guidance on the issue would likely be of practical value.

Facts

5 UOB granted banking facilities (“**Facility**”) to the Defendant pursuant to UOB’s letter of offer dated 12 June 2023 (“**Facility Letter**”). The Facility was a line of credit in the sum of \$556,200, to be repaid in 312 monthly instalments. The Facility was secured by a mortgage (“**Mortgage**”) over the Defendant’s property at 69 Ubi Road 1, #08-33, Oxley Bizhub, Singapore 408731 (“**Property**”).

6 The Defendant defaulted in paying instalments due under the Facility. On 9 September 2025, UOB’s former solicitors, Harry Elias Partnership LLP, wrote to the Defendant to demand payment of the arrears. The Defendant failed to pay.

7 On 22 October 2025, UOB's present solicitors, Rajah & Tann Singapore LLP ("**R&T**"), wrote to the Defendant to inform them that the Facility had been recalled and to demand payment of the sum of \$542,508.28, which was the full outstanding amount under the Facility. The Defendant again failed to pay.

8 On 26 December 2026, R&T issued a notice to quit to the Defendant and the occupiers of the Property, giving them one month's notice to deliver vacant possession of the Property to UOB. The Defendant did not comply with the notice to quit.

9 UOB commenced OA 246 on 4 March 2026. In the main, UOB sought the following orders against the Defendant:

- (a) An order that the Defendant deliver vacant possession of the Property to UOB.
- (b) An order that the Defendant pay the outstanding amount due under the Facility as at 3 March 2026, plus further interest accruing at:
 - (i) the default rate of 3% per annum above UOB's prescribed rate of 2% per annum above the applicable Compounded Singapore Overnight Rate Average; or
 - (ii) such other rates as may be determined by UOB from time to time.
- (c) An order that the Defendant pay the Late Payment Charge of \$80, or such other amount as UOB may decide shall be payable, on each instalment payment not paid on the due date.
- (d) An order that the Defendant pay UOB's costs of the proceedings on a full indemnity basis.

Decision

10 At the first hearing of OA 246 on 10 April 2026, the Defendant was unrepresented and absent. Although the application was unopposed, I highlighted the following three issues to UOB's counsel since these were apparent on the face of UOB's papers. Further, even in an unopposed application, it remained for UOB to satisfy the Court that all the procedural and substantive requirements for granting the orders sought in OA 246 were met.

11 First, UOB's supporting affidavit did not properly set out its basis for recalling the Facility and seeking payment of the full outstanding amount. The relevant paragraphs of UOB's supporting affidavit read:

7. In breach of the terms and conditions of the Mortgage and the Letter of Offer [*ie*, the Facility Letter], the Defendant defaulted in making payment of monies due and owing to the Claimants as secured under the Mortgage.

8. By the letter of demand to the Defendant dated 9 September 2025 issued by the Claimants' previous solicitors Harry Elias Partnership LLP ..., the Claimants demanded for the arrears under the Banking Facilities.

9. The Defendant failed to make payment of the arrears. Accordingly, the Claimants' solicitors, Rajah & Tann Singapore LLP issued [a] letter of demand to the Defendant dated 22 October 2025 to recall the entire loan facilities and to demand for full payment of the total outstanding sum of S\$542,508.28 due and owing under the recalled loan facilities as at 16 October 2025 together with all further interest accruing thereon until the date of full payment within 14 days from the date of the letter of demand, failing which the Claimants shall proceed to exercise their rights under the Mortgage against the Defendant including their power of sale over the Property. The Defendant again failed to comply with the Claimants' demand.

12 The supporting affidavit did not identify the terms and conditions of the Mortgage and Facility Letter which had been breached, or how this gave UOB the right to recall the Facility and demand payment of the full outstanding amount.

13 In my view, UOB’s supporting affidavit did not comply with O 52 rr 3(4) and 3(7) of the Rules of Court 2021, which provide as follows:

Action for possession or payment (O. 52, r. 3)

...

(4) Where the claimant claims delivery of possession, the *affidavit must show the circumstances under which the right to possession arises* and, except where the Court in any case or class otherwise directs, the state of the account between the mortgagor and mortgagee with particulars of —

(a) the amount and number of any instalments in arrears at the date of issue of the originating application and at the date of the affidavit; and

(b) the amount remaining due under the mortgage.

...

(7) Where the claimant claims payment of moneys secured by the mortgage, *the affidavit must prove that the money is due and payable and give the particulars mentioned in paragraph (4).*

[emphasis added]

14 A supporting affidavit filed in a mortgage action serves at least two broad purposes. First, it must contain all the facts necessary to establish the claimant’s legal entitlement to the orders sought. Second, it gives the defendant, and indeed the Court, notice of the claimant’s case. This applies to both the facts relied on and the legal basis for making the claim, although the claimant is not required to make legal submissions in the supporting affidavit. It is insufficient for a claimant to make sweeping and unparticularised assertions in the supporting affidavit and leave the Court and the defendant to pore over pages of contractual documents to decipher what its case is. It is equally undesirable for counsel to use hearing time to orally supplement the supporting affidavit – or, worse still, to seek an adjournment of the hearing for the purpose of rectifying the deficiencies in their supporting affidavit – when such particulars should have been included in the first place when the application was first

presented to the Court. Where claimants fall short of this basic obligation, they should expect adverse costs consequences to follow. Such costs consequences may include disallowing any costs arising from the adjournment, or making the claimant bear the defendant's costs of the adjournment.

15 The second issue that I highlighted to UOB's counsel was that it was unclear whether UOB was entitled to impose the Late Payment Charge. UOB cited clause 4.7 of the Facility Letter as the legal basis for imposing the Late Payment Charge. But as will be seen below, clause 4.7 only applied to each "instalment payment" not paid on the due date. It was doubtful whether clause 4.7 applied where the loan facility had been recalled and judgment was sought on the full outstanding amount under the Facility, which would be payable as a lump sum and not in instalments.

16 Moreover, in past cases where UOB had made similar claims for late payment charges, its solicitors had taken somewhat inconsistent positions as to their legal entitlement to do so. Some examples were as follows:

(a) In HC/OA 963/2023 (*United Overseas Bank Limited v Dharma Yashasvi Joseph and another*), I queried UOB's entitlement to impose late payment charges in circumstances similar to the present. UOB later filed a supplemental affidavit maintaining that it was entitled to impose the late payment charges. The defendants were unrepresented and do not appear to have challenged the point. The orders sought by UOB were granted by the assistant registrar at a later hearing.

(b) In HC/OA 399/2025 (*United Overseas Bank Limited v Een Natawidjaja*), I raised a similar query and UOB's solicitors withdrew the prayer claiming late payment charges.

(c) In HC/OA 623/2025 (*United Overseas Bank Limited v Mohammad Amir Bin Mohamed Selaiman*), I raised a similar query. I also explained to UOB's solicitors that it was unclear whether late payment charges could be imposed where the facility had been recalled and judgment was being sought for the full outstanding amount under the facility, since this involved the immediate payment of a lump sum and not the payment of monthly instalments. UOB's solicitors acknowledged this and withdrew the prayer claiming late payment charges.

17 I was of the view that UOB should take a principled and consistent position on its legal entitlement to impose the Late Payment Charge. It was unsatisfactory for UOB to persist in making such claims but drop them once made to justify and defend their position.

18 The third issue that I highlighted to UOB's counsel was that in UOB's prayers for the payment of further interest and the Late Payment Charge, UOB also sought orders allowing it to vary the applicable rate or amount to be imposed in its discretion. The basis for making such orders, which effectively allowed UOB to unilaterally vary a court order, was unclear to me.

19 I adjourned the first hearing and directed UOB's counsel to take instructions and get UOB to file a supplemental affidavit addressing these three issues. I also granted UOB permission to amend the originating application if required.

20 On 17 April 2026, UOB filed a supplemental affidavit elaborating on their basis for recalling the Facility. UOB also filed an amended originating application which abandoned the prayers: (a) seeking payment of the Late

Payment Charge; and (b) permitting UOB to vary the applicable rate of any further interest and the amount of the Late Payment Charge.

21 As regards the claim for the Late Payment Charge, UOB's supplemental affidavit stated as follows:

In light of the learned Assistant Registrar's directions at the Hearing, the Bank has decided *for this account* that...*it will not impose* the Late Payment Charges for monthly instalments that fell due after the Banking Facilities had been terminated...

[emphasis added]

22 UOB's evasive explanation did not answer the query I had posed at the first hearing, which was whether UOB was *legally entitled* to impose the Late Payment Charge in the given circumstances. I therefore directed that UOB's counsel write to Court to clarify UOB's position. On 23 April 2026, UOB's counsel wrote to Court stating the following:

...

...The Claimant confirms that it is not legally entitled to impose late payment charges on monthly instalments that fell due after the Banking Facilities had been terminated and we will not be claiming for the same. This is because the Claimant's right to impose late payment charges under Clause 4.7 of the Letter of Offer dated 12 June 2023...does not allow the Claimant to continue imposing late payment charges after it has terminated the Banking Facilities.

...

[emphasis in original]

23 In my view, UOB’s concession was properly made. UOB’s entitlement to impose the Late Payment Charge turned on the interpretation of clause 4.7 of the Facility Letter. I set out clause 4.7 in full:

4.7 Late Payment and Late Interest Charge

A late payment charge of S\$80-00 or such other amount(s) as the Bank may decide shall be payable on each instalment payment not paid on due date.

A late interest charge at 3.00% over the prescribed rate or at such other rate(s) as the Bank may decide, shall be payable on all instalment payments, capital repayments and interest (on instalments and capital repayments), fees, commissions and all other charges including late payment charges which are not paid on their due dates, such late interest charge to accumulate by way of compound interest.

24 It is trite law that in interpreting a contract, the Court looks at the contractual text and its context, and seeks to give effect to the objective intentions of the contracting parties: *Y.E.S F&B Group Pte Ltd v Soup Restaurant Singapore Pte Ltd (formerly known as Soup Restaurant (Causeway Point) Pte Ltd)* [2015] 5 SLR 1187 at [30]–[31].

25 The text of clause 4.7 is plain and unambiguous. The Late Payment Charge only applies to an “instalment payment” which is not paid on the due date. As a matter of plain language, clause 4.7 cannot apply where the bank has recalled the facility, in which case the *full* amount due under the facility becomes due and payable *immediately*. The position is even clearer where the bank seeks judgment for the full outstanding amount under the facility. In both scenarios, it cannot be said that there are “instalments” to be paid, and there is accordingly no basis for imposing a monthly Late Payment Charge.

26 This is reinforced by the context of clause 4.7. Notably, clause 4.7 also provides for the payment of a late interest charge. Unlike the Late Payment Charge, the late interest charge expressly applies to various other sums due

under the Facility, including “capital repayments” and “interest”, and not only instalment payments. This clearly shows that the Late Payment Fee only applies to “instalment payments” and capital repayments are excluded.

27 In practical terms, the effect of clause 4.7 is that if UOB decides not to terminate the facility, UOB may claim payment of the monthly instalments in arrears, the late interest charge on those arrears, and the Late Payment Charge for each late repayment of a monthly instalment. However, if UOB decides to terminate the facility and claim the full outstanding amount due under the facility, UOB cannot claim payment of the Late Payment Charge, but it may impose the late interest charge on the full outstanding amount under the Facility. This is a commercially sensible outcome.

28 Even assuming there is ambiguity within clause 4.7 (which there is not), the *contra proferentem* rule applies since the Facility Letter is a standard form contract drafted by UOB: see *Tay Eng Chuan v Ace Insurance Ltd* [2008] 4 SLR(R) 95 at [34] and [35], for an explanation of the *contra proferentem* rule; see also *Hewlett-Packard Singapore (Sales) Pte Ltd v Chin Shu Hwa Corinna* [2016] 2 SLR 1083 at [51], which emphasised the condition that there must be ambiguity within the contractual provision even after a contextual interpretation is attempted for the rule to apply. Hence, any ambiguity should be resolved against UOB.

29 OA 246 came up for a further hearing before me on 24 April 2026. The Defendant remained unrepresented and absent. As the papers were now in order, and I was satisfied that UOB was entitled to the amended orders sought, I granted an order in terms of the amended originating application.

30 On the issue of costs, UOB’s counsel sought costs of \$8,000 (all-in). Costs were sought on an indemnity basis pursuant to the terms of the Facility Letter and the Mortgage. The breakdown was \$6,500 in costs plus approximately \$1,500 in disbursements.

31 I fixed costs at \$7,500 (all-in). Appendix G of the Supreme Court Practice Directions 2021 (Guidelines for Party-and-Party Costs Awards in the Supreme Court of Singapore) (“**Appendix G Guidelines**”) provided for a range of \$5,000 to \$15,000 (excluding disbursements) for mortgage actions. OA 246 was a straightforward and uncontested application. The only notable issue related to the Late Payment Charge, which based on UOB’s concession, should not have been claimed in the first place. I therefore adopted the lowest end of the range as a starting point. As the Appendix G Guidelines provide for party-and-party costs, which are usually awarded on the standard basis (see O 21 r 22(1) of the ROC 2021), I adjusted the starting point upwards to \$6,000 to account for UOB’s contractual entitlement to indemnity costs. I did not award UOB any costs incidental to the adjournment of the first hearing, as the adjournment was necessitated by UOB’s own shortcomings. However, there was no reason to *reduce* UOB’s costs on this ground since the Defendant did not participate in the proceedings and was not put to costs in any way. I awarded UOB the disbursements it claimed.

32 Finally, I did not grant a stay of execution of the order requiring the Defendant to deliver vacant possession of the Property to UOB. The Defendant did not appear in the proceedings and there were no grounds placed before me for granting a stay.

Randeep Singh Koonar
Assistant Registrar

Gracia Goh (Rajah & Tann Singapore LLP) for the claimant;
The defendant absent and unrepresented.
