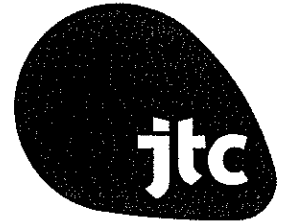


Please quote our reference when replying
Our Ref: JTC(LS) 00/193/RT+GO+JY



TEL (DID) : 68833163
FAX NO : 68855884
E-MAIL : gloriaong@jtc.gov.sg

Corporation

8 September 2008

The Association of Banks in S'pore
10 Shenton Way #12-08
MAS Building
Singapore 079117

BY COURIER

JTC Corporation
The JTC Summit
8 Jurong Town Hall Road
Singapore 609434

contact centre hotline 1800 568 7000
main line (65) 6560 0056
facsimile (65) 6565 5301
website www.jtc.gov.sg

Finance Houses Association of S'pore
150 Cecil Street #05-02
Far Eastern Bank Building
Singapore 069543

BY COURIER

The Law Society of Singapore
39 South Bridge Road
Singapore 058673

BY COURIER

Dear Sirs,

JTC'S PRACTICE CIRCULAR DATED 8 SEPTEMBER 2008 ("this Practice Circular") - NOTICE OF MORTGAGE/CHARGE IN FAVOUR OF FINANCIAL INSTITUTIONS

- 1 We are pleased to inform you that with effect from **1 October 2008**, all mortgages and charges created or transferred in respect of JTC properties in favor of financial institutions will be governed by this Practice Circular which will supersede JTC's Practice Circulars dated 30 October 1999, 1 June 2001, 24 April 2002 and 23 March 2004 ("Superseded Circulars"). As with the Superseded Circulars, this Practice Circular JTC's terms and conditions have been set out upfront to give greater transparency as to its policies and to assist its customers in obtaining funds quickly with minimum administrative inconvenience.
- 2 In respect of all mortgages and charges created or transferred on or after **1 October 2008** in favour of financial institutions¹, JTC waives its requirement for prior written consent for the creation/transfer of a Mortgage/Charge to a Mortgagee/Chargee (as defined in Clause **8(b)** of Annex B), subject to :-

¹ *I.e., financial institutions permitted by the laws of Singapore to lend to the Mortgagor/Chargor on security of the Mortgage/Charge.*



- (a) submission of a duly completed Notice of Mortgage/Charge in the form set out in Annex A ("Notice"); and
- (b) the terms and conditions set out in Annex B.

Parties are to please note that JTC's prior written consent is still required for mortgages and charges created in favour of a mortgagee/chargee which does not satisfy the requirement under paragraph 8(b) of Annex B.

3 The Mortgagor/Chargor may authorise its solicitors to duly complete and submit the Notice on its behalf.

4 As before, under this process :-

- (a) the Notice need only be sent to JTC each time a Mortgage/Charge is to be created or transferred;
- (b) parties need not inform JTC of any change in the amount of facilities secured;
- (c) JTC's administrative fee has been waived;
- (d) the Mortgage/Charge documents do not have to be endorsed by JTC; and
- (e) copies of the Mortgage/Charge documents do not have to be sent to JTC.

5 However, parties must still comply with the terms and conditions of this Practice Circular, and in particular must :-

- (a) submit to JTC the Notice prior to the creation or transfer of any mortgage/charge;
- (b) notify JTC if the Mortgage/Charge has been discharged or is not proceeded with; and
- (c) ensure that the Mortgagor's/Chargor's solicitor gives the required certificate in the mortgage/charge documents.

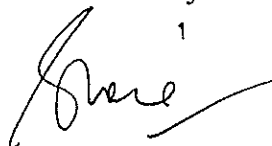
6 A copy of this Practice Circular together with the Annexes may, with effect from **1 October 2008**, be obtained from the **JTC website** <http://www.jtc.gov.sg>, under the icon "**Policies**", and then clicking in the following order : "**Lease Management**", "**Practice Circular**", "**Correspondence or Annex A**".

7 Parties who use Annex A must at all times ensure that the integrity of the Notice form is preserved and must not make any changes to it, except for the insertion of the particulars and signatures required by JTC. By submitting the Notice to JTC, parties are deemed to accept all the conditions set out in this

Practice Circular (including Annex B) irrevocably and unconditionally with effect from the date JTC receives the Notice.

- 8 JTC reserves the full right and liberty to terminate or change this process or conditions at any time in respect of subsequent mortgages and charges.
- 9 Kindly inform your members of this Practice Circular. Please contact me at tel. no. 68833 163 or Miss Jeanette Yeo at tel No. 68833 165 should you have any queries relating to this Practice Circular.
- 10 Finally, please also inform your members that Singapore Land Authority (“SLA”) will accept caveats only if the whole government survey lot number has been obtained from the Chief Surveyor of Singapore. Caveats lodged with a part lot number (ie, part of a large lot) and a plan annexed will be rejected by SLA.
- 11 Consequently, if the available Government Survey Lot number at the time of intended lodging of a caveat by the proposed Mortgagee/Chargee is only a part-lot number, the whole lot number for the land to be mortgaged/charged (“caveat lot number”) must first be obtained before the caveat is lodged. In which case, and subject to compliance with this Practice Circular, your members should please note the following :
 - (a) The Mortgagor/Chargor must first have duly accepted JTC’s Offer of the licence/lease (as the case may be) in accordance with the Mode of Due Acceptance of Offer (including ensuring that any Due Acceptance payments made by cheque have been cleared by the bank).
 - (b) The Mortgagor/Chargor may contact our Land Planning Group direct at Tel: 6883 3153 or Fax: 6885 5880. Our Land Planning Group will apply to the Chief Surveyor for a caveat lot number.
 - (c) For further clarifications on the government survey lot number or the caveat lot number, the Mortgagor/Chargor may also contact our Land Planning Group direct at Tel: 6883 3153 or Fax: 6885 5880. Your members may also want to view SLA’s website information on the lodging of caveats at <http://www.sla.gov.sg/doc/new/lr03.pdf>.

Yours faithfully



GLORIA ONG (Ms)
ASSISTANT DIRECTOR
LEGAL DEPARTMENT


cc



Singapore Land Authority
8 Shenton Way
#26-01 Temasek Tower
Singapore 068811

BY COURIER

Attention : Mr Vincent Hoong, Registrar of Titles
(Your ref : SI/LTR 4/ 66 VOL 41)

NOTICE OF MORTGAGE/CHARGE IN FAVOUR OF FINANCIAL INSTITUTIONS			
To: JURONG TOWN CORPORATION Attn: <u>The Legal Department</u>			
BY FAX ONLY			
1	Date of Notice:		
2	Private Lot Number of the Mortgaged/Charged Property: <i>(for assignment/transfer cases, please also indicate the new Private Lot Number that has been given by JTC)</i>	A _____ A _____	JTC's File Reference : <i>(optional)</i>
3	Address of the Mortgaged/Charged Property:		
4	Name of Mortgagor/Chargor : <i>(for sole-proprietorships & partnerships, please state registered business name as well as the name(s) of the sole-proprietor or all partners, as the case may be)</i>		
5	Nature of Mortgagor's/Chargor's Interest :	<i>(tick one)</i> <input type="checkbox"/> Lessee <input type="checkbox"/> Licensee <input type="checkbox"/> Prospective Assignee/Transferee	
6	Mortgage/Charge : <i>(tick & complete as appropriate)</i>	<input type="checkbox"/> Charge; Type of Charge : _____ <input type="checkbox"/> Non-Syndicated Loan; Type of Mortgage : _____ <input type="checkbox"/> Syndicated Loan; Type of Mortgage : _____	

ANNEX A

7	Name of Mortgagee/Chargee : <i>(in the case of transfer of a mortgage/charge, please indicate both transferor and transferee)</i> <i>(in the case of a syndicated loan, please indicate Agent/Security Trustee/Lenders' representative as well as set out names of all Lenders to the syndicated loan)</i>			
8	Address of Mortgagee/Chargee : <i>(in the case of a syndicated loan, please indicate Agent/Security Trustee/Lenders' representative Singapore office address)</i>			
9	If Mortgagor/Chargor is a Prospective Assignee/Transferee, when was JTC's consent to assign/transfer obtained? <i>(No valid Notice can be given unless JTC has granted consent to assign/transfer)</i>			
10	If the Borrower is different from the Mortgagor/Chargor, what is the name of the Borrower and what is the Borrower's relationship to Mortgagor/Chargor? <i>(e.g. wholly-owned subsidiary of Mortgagor, related company etc.)</i>			
11	Discharging existing mortgage/charge?	<i>(tick one)</i> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA	Date/Proposed date of discharge :	
12	Mortgage/Charge is to take effect on : <i>(in the case of transfer of a mortgage/charge, please indicate date/proposed date of transfer as well)</i>		Aggregate Credit Facilities secured by Mortgage/Charge :	

13	<p>Pursuant to JTC's Practice Circular dated 8 September 2008 and in consideration of JTC waiving its requirement for prior written consent, the Mortgagor/Chargor hereby:</p> <ul style="list-style-type: none">(a) declares that the particulars stated in this Notice are true;(b) agrees to comply with and be bound by the terms and conditions set out in the Practice Circular (including Annex B); and(c) confirms that the Mortgagee/Chargee has agreed that the Mortgage/Charge shall be subject to the terms and conditions set out in the Practice Circular (including Annex B). <p>_____ Signature & Name of Authorised Representative of Mortgagor/Chargor</p> <p>Designation :</p> <p>Company/Law Firm Stamp :</p> <p>Address :</p> <p>Telephone No. : Facsimile No. :</p>
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TERMS & CONDITIONS

1 Interest that may be Mortgaged/Charged

- (a) Only a lease under a JTC Agreement may be mortgaged/charged. Any other type of interest, including tenancies, cannot be mortgaged/charged.
- (b) A Mortgage/Charge shall not be created or transferred if JTC has served on the Mortgagor/Chargor a letter of demand in respect of a breach that has not been rectified or if JTC has commenced any other type of legal action against the Mortgagor/Chargor.

2 Notice to JTC

- (a) A Mortgage/Charge may only be created or transferred after a duly completed Notice in JTC's required form has been submitted to JTC.
- (b) JTC must be notified in writing within fourteen (14) days of the discharge of the Mortgage/Charge or any decision not to proceed with the Mortgage/Charge.
- (c) In the case of syndicated loans, JTC must be notified in writing within fourteen (14) days of any change in the Lenders or the Agent/Security Trustee/Lenders' Representative.

3 Use of Mortgage/Charge Facilities

The Mortgage/Charge facilities shall be used firstly to pay JTC any outstanding building premium and interest thereon and/or meet JTC's required investment criteria (if it has not been met). Alternatively, the Mortgagor/Chargor and the Mortgagee/Chargee shall ensure that sufficient funds from other sources are used to meet the aforesaid obligations.

4 **Notice to Mortgagee/Chargee**

Any notice served on the Mortgagee/Chargee by JTC shall be sufficiently served if the same is forwarded by registered post or facsimile to the Mortgagee's/Chargee's office in Singapore and shall be deemed served upon evidence that the same has been sent.

5 **Agent/Security Trustee/Lenders' Representative** (*Applies only to syndicated loans*)

- (a) JTC may, at its option, only deal with the Agent/Security Trustee/Lenders' Representative and only in Singapore.
- (b) Any notice served on the Agent/Security Trustee/Lenders' Representative by JTC shall be sufficiently served if the same is forwarded by registered post or facsimile to the Agent/Security Trustee/Lenders' Representative's office in Singapore (which address the Agent/Security Trustee/Lender's Representative shall provide) and shall be deemed served upon evidence that the same has been sent.
- (c) The Agent/Security Trustee/Lenders' Representative shall ensure that the Lenders accept and comply at all times with all the terms and conditions herein.
- (d) The Agent/Security Trustee/Lenders' Representative shall notify JTC in writing as soon as reasonably possible upon any change in Lenders.

6 **Conflict**

If there shall be a conflict between any provision of the Mortgage/Charge and that of the JTC Agreement, the latter shall prevail as to JTC's rights and remedies thereunder.

7 Powers of Sale under the Mortgage/Charge

If the Mortgagee/Chargee exercises its power of sale, the Mortgaged/Charged Property shall be sold only to an assignee or a transferee in respect of whom JTC's prior written consent to assign/transfer has first been obtained in accordance with the clause(s) in the JTC Agreement relating to the granting of consent to assign. The restrictions in section 17 of the Conveyancing and Law of Property Act (Chapter 61) shall not apply. JTC reserves full right and liberty to reject the proposed assignee/transferee.

8 Compliance with Laws

- (a) The Mortgage/Charge shall comply with all relevant laws, statutes, legislation, bye-laws, rules, orders and regulations.
- (b) The Mortgagee/Chargee (and, in the case of syndicated loans, each Lender) must be a Financial Institution¹.
- (c) The Mortgage shall be construed in accordance with the laws of Singapore and all legal proceedings in relation to the Mortgage shall be commenced and heard in Singapore courts.
- (d) The Mortgagee/Chargee (and, in the case of syndicated loans, the Agent/Security Trustee/Lender's Representative and each Lender) agrees to submit himself to the exclusive jurisdiction of the Singapore courts.

¹ As defined in paragraph 16(c) of this Annex B.

9 Assignment or Transfer

A Mortgage/Charge may only be created by a prospective assignee/transferee after JTC's written consent to assign/transfer has been obtained and the assignment/transfer has been completed in accordance with JTC's terms and conditions. For the avoidance of doubt, reference to the creation of a Mortgage/Charge in this clause includes any statutory transfer/vesting in relation to :-

- (a) any application for conversion under Part IV of the Limited Liability Partnerships Act (Chapter 163A); and
- (b) the passing of any resolution or doing of any act which may result in the issuance by the Registrar of Companies of a notice of amalgamation under Part VII of the Companies Act (Chapter 50), which may cause the Property or any part thereof to be transferred to or vested in any amalgamated entity.

10 Void Notice

A Notice shall be rendered void in the event of :-

- (a) misleading, inaccurate or false information or declarations;
- (b) submission of an incomplete or a tampered Notice;
- (c) submission of a Notice after the creation of a Mortgage/Charge; or
- (d) non-compliance with any of the other terms and conditions of the Practice Circular.

11 Effect of Void Notice

Any Mortgage/Charge created or transferred in spite of a void Notice shall be a **breach of the lease/licence**. However, JTC may, at its discretion, after an evaluation of the facts of the particular case permit such a breach to be remedied. Such remediation (if permitted) may be subject to additional terms and conditions, including the payment of a fee to be determined by JTC.

12 **Non-Waiver**

- (a) JTC's retention of a Notice shall not be deemed to be or construed as an acceptance : -
- (a1) that the Notice is not void; or
- (a2) of the truth or accuracy of the particulars given in the Notice,
- and JTC shall be under no obligation to verify such particulars or otherwise confirm the validity of the Notice.
- (b) JTC's retention of a Notice shall also not in any way prejudice, nor be deemed to be or construed as a waiver of any of JTC's rights and remedies whatsoever in respect of any outstanding arrears or other breaches of the JTC Agreement, including JTC's right of re-entry in the event that payment is not made or the other breaches are not remedied.

13 **Contracts (Rights of Third Parties) Act**

No party other than JTC, JTC's successors or assigns and parties named in Annex A shall have any right under the Contracts (Rights of Third Parties) Act (Chapter 53B) to enforce any of the terms or conditions herein.

14 **Indemnity**

The Mortgagor/Chargor (and, in the case of syndicated loans, the Security Trustee) shall indemnify JTC in respect of any claim or action that is brought in relation to the Mortgage/Charge in any jurisdiction.

15 Endorsement on Mortgage/Charge Documents

The Mortgagor's/Chargor's solicitors must certify on the relevant mortgage documents (i.e. the Mortgage-in-escrow/Mortgage Instrument/Deed of Debenture) as follows :-

CERTIFICATE PURSUANT TO JURONG TOWN CORPORATION'S PRACTICE CIRCULAR DATED 8 SEPTEMBER 2008 ON NOTICE OF MORTGAGE/CHARGE.

I, the solicitor for the Mortgagor/Chargor*, hereby certify that :

- (a) the Mortgagee/Chargee has agreed that the Mortgage/Charge shall be subject to the terms and conditions of the Practice Circular; and
- (b) Jurong Town Corporation has been duly notified of the creation/transfer* of this mortgage/charge* in accordance with the Practice Circular.

Dated this day of .

NAME AND SIGNATURE OF MORTGAGOR'S/CHARGOR'S* SOLICITOR

**Delete as appropriate*

16 Definitions

For the purpose of this Annex B, which forms part of the conditions of JTC's "*Practice Circular dated 8 September 2008 on Notice of Mortgage in favour of Financial Institutions*", the following words shall be deemed to have the meanings assigned to them set out in this section.

- (a) "Agent" means, in respect of a syndicated loan, an agent of the Lenders.

- (b) “Annex A” means Annex A of the Practice Circular.
- (c) “Financial Institution” means a financial institution permitted by the laws of Singapore to lend to the Mortgagor/Chargor on the security of the Mortgage/Charge.
- (d) “JTC” means Jurong Town Corporation (also known as “JTC Corporation”), a body corporate established under the Jurong Town Corporation Act, Chapter 150 of Singapore, and having its office at The JTC Summit, 8 Jurong Town Hall Road, Singapore 609434, and includes its successors-in-title and assigns, if any.
- (e) “JTC Agreement” means the binding agreement made between JTC and the Mortgagor/Chargor in respect of a Lease, Agreement to Lease, Agreement for Lease or Building Agreement, and includes any variation as may be agreed to in writing of JTC and the Mortgagor/Chargor.
- (f) “Lenders” means, in respect of a syndicated loan, each and every lender related to the Mortgage/Charge, and “Lender” means one of them.
- (g) “Lenders” Representative” means, in respect of a syndicated loan, a representative of the Lenders.
- (h) “Mortgage/Charge” in respect of a mortgage made pursuant to Condition 1(a) of this Annex B refers to a mortgage, and in respect of a charge made pursuant to Condition 1(a) of this Annex B refers to a charge.
- (i) “Mortgagor/Chargor” in respect of a mortgage made pursuant to Condition 1(a) of this Annex B refers to the mortgagor, and in respect of a charge made pursuant to Condition 1(a) of this Annex B refers to the chargor.

- (j) “Notice” means the Notice of Mortgage/Charge in the form set out in Annex A.
- (k) “Practice Circular” means JTC’s Practice Circular dated 8 September 2008.
- (l) “Security Trustee” means, in respect of a syndicated loan, a trustee facilitating or coordinating on behalf of or representing the Lenders.

In addition, any reference in this Annex B or the Practice Circular to a statutory provision shall include that statutory provision and any regulation made in pursuance thereof as from time to time modified or re-enacted, whether before on or after the date of the Practice Circular, so far as such modification or re-enactment applies or is capable of applying to any transactions entered into pursuant to the Practice Circular.

II=====End of Annex B=====II