

Yong Tai to challenge adjudication decision to pay RM75 mil to Kerjaya Prospek



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KUALA LUMPUR (May 28): Property developer Yong Tai Bhd (KL:YONGTAI) is seeking to overturn the RM75.46 million adjudication ruling in favour of Kerjaya Prospek Group Bhd's (KL:KERJAYA) unit, as it claims that the case falls outside the scope of the Construction Act.

In a bourse filing on Wednesday, Yong Tai said its wholly owned subsidiary, Apple 99 Development Sdn Bhd, has filed a notice to stay and set aside the adjudication decision to the [Shah Alam](#) High Court.

Kerjaya Prospek's wholly owned unit Kerjaya Prospek (M) Sdn Bhd (KPM) in November last year filed the adjudication against Apple 99 for an alleged unpaid contract for a mixed development project in [Melaka](#), known as "[The Apple](#)". The contract worth RM213.75 million was awarded to KPM in 2016.

On May 9, the adjudicator ordered Apple 99 to pay RM75.46 million to KPM, lower than the original claim of RM105.14 million.

In the latest announcement, Yong Tai said the adjudicator "has no jurisdiction to deal with the payment claim" as the contract under the Construction Industry Payment and Adjudication Act 2012 has been subsumed by the settlement and supplementary agreement.

"The adjudicator had failed to appreciate the different reliefs sought by KPM encompassing specific performance, which would result in potential unjust enrichment," it said.

"There are clear and unequivocal errors on the face of the adjudication decision," it stressed.

Yong Tai said it will make further announcements when there are material developments on this matter.

Shares in Yong Tai settled down half a sen or 2.78% to 17.5 sen on Wednesday, valuing the company at RM75.03 million.