



19 APR, 2019

Ireka takes UEM Land to arbitration, seeks RM29 million

The Sun, Malaysia

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PETALING JAYA: Ireka Corp Bhd has served a notice of arbitration against UEM Sunrise Bhd's wholly owned subsidiary UEM Land Bhd on disputes and differences arising from the contract finalisation of a project in Johor Baru.

In a filing with Bursa Malaysia, Ireka said the notice was served by its wholly owned subsidiary Ireka Engineering & Construction Sdn Bhd (IECSB) on Wednesday, under The Asian International Arbitration Centre Rules 2018.

IECSB is seeking reliefs and/or remedies against UEM Land, which include but are not limited to, inter alia, declarations of final account in the amount of RM29.25 million, further extension of time or time at large, loss and expense awards, interest and costs.

IECSB's claims against UEM Land are premised on the breach of contract and outstanding payment due in relation to the contract.

In a separate filing, UEM Sunrise said IECSB's claims are without merits and UEM Land will vigorously defend its position accordingly.

"The company believes that the notice of arbitration and potential arbitration proceedings are not expected to have material financial and operational impact on the company for the financial year ending Dec 31," it said.

To recap, UEM Land issued a letter of award dated June 15, 2012 to IECSB for the construction of Imperia, a mixed development located in Puteri Harbour, Iskandar Puteri, Johor Baru.

IECSB was appointed by UEM Land as the main contractor for the construction of the project under the contract, at a sum of RM268.6 million.

The scope of works include overall main works, main switch station (stesen suis utama) and main division substation (pencawang pembahagian utama), and construction of mock-up units.

In August last year, IECSB initiated a pre-commencement arbitration against UEM Land arising from disputes and differences over the finalisation for a contract dated April 3, 2014 on the construction of the project.



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SUMMARIES

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