

**SOCIETY OF  
CONSTRUCTION LAW  
MALAYSIA**

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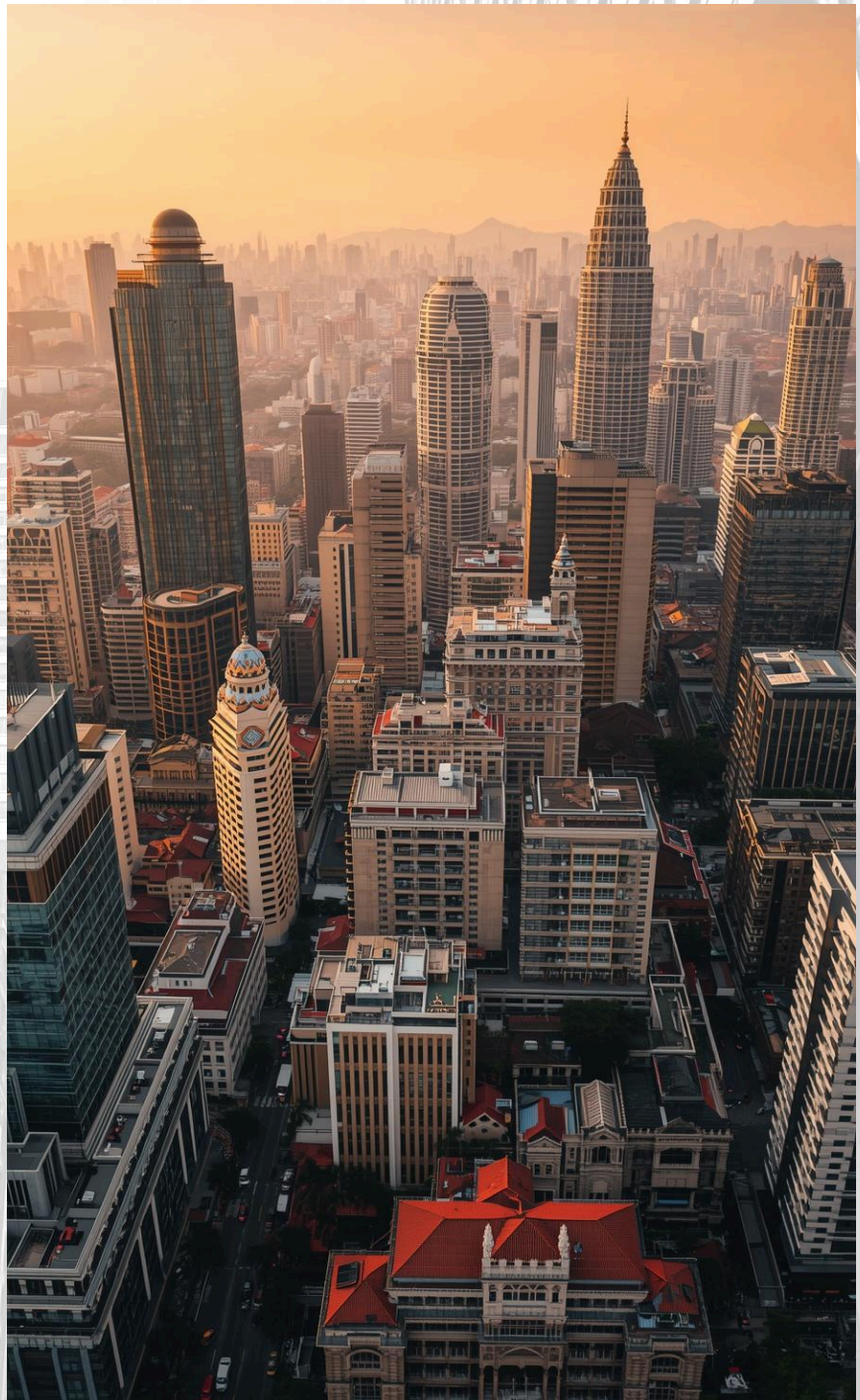
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**SCL MALAYSIA  
NEWSLETTER**

APRIL 2026, VOL 1



# PRESIDENT'S NOTE

As we present this April 2026 half-yearly edition of our newsletter, it is my pleasure to extend warm greetings to all members and friends of the Society of Construction Law Malaysia. This publication reflects the continued energy and commitment within our community.

The months ahead will undoubtedly bring both opportunities and challenges. The legal, construction, and infrastructure sectors do not operate in isolation. Recent global events, including ongoing conflicts and geopolitical tensions, have reminded us how interconnected our industry is with the broader economic and supply chain landscape. Rising costs, resource constraints, and uncertainty may test our resilience. Yet, history has shown that our industry is one that adapts, innovates and perseveres.

In times such as these, the strength of our community becomes even more important. I encourage all members to remain engaged and to participate actively in our seminars, webinars, publications and networking events. These platforms are not only opportunities for professional development, but also spaces where we support one another, share knowledge, and collectively strengthen the standards of construction law and practice in Malaysia.

Looking ahead, we are excited about what lies in store for the remainder of 2026. The Society has several meaningful initiatives and programmes planned, designed to foster learning, collaboration and connection across our industry. We hope you will journey with us, contribute your expertise, and continue to build this Society together. Thank you for your continued support and participation in the Society. I look forward to seeing many of you at our upcoming events and initiatives throughout the year as we continue to grow stronger together as a professional community.

A handwritten signature in black ink, appearing to read 'Serene Hiew'.

**SERENE HIEW MUN YI**  
**PRESIDENT, SCL MALAYSIA**

# NEWS & EVENTS



## REIMAGINING EXPERT EVIDENCE IN CONSTRUCTION DISPUTES – PROTOCOLS, PRACTICE AND PERSPECTIVES

(RIGHT TOP) SCL MALAYSIA PRESIDENT IS ONE OF THE SPEAKERS, (RIGHT BOTTOM) SCL MALAYSIA JOHN WONG IS ASKING A QUESTION

The Society of Construction Law Malaysia (SCL Malaysia) supported the above event, which took place on 27 February 2026 and was organised by the Asia Pacific Institute of Experts (APIEX)

## SCL ANNUAL LAW REVIEW X SOCIAL NIGHT 2026

30 JANUARY 2026 @ THE SIGNATURE HOTEL & SERVICED SUITES

💡 The SCL Annual Law Review + Social Night 2026 brought together practitioners, industry leaders, and professionals for a timely review of recent construction law developments — followed by a relaxed social evening to connect, network, and unwind.





## WEBINAR – EXPERT REPORTS AND JOINT STATEMENTS: GETTING IT RIGHT

In high-value construction disputes, expert evidence often determines the outcome. Yet, tribunals frequently face a familiar challenge: sharply divergent expert opinions on:

- delay analysis;
- baseline programmes; and
- entitlement to extension of time (EOT).

Instead of assisting the tribunal, expert reports can sometimes complicate the path to a reasoned and defensible award.

***“Expert Evidence and Joint Statements: Getting it Right”*** is a focused and practical webinar designed for construction lawyers, expert witnesses, adjudicators and arbitrators who wish to sharpen the effectiveness, credibility and utility of expert evidence in arbitration and adjudication.

***AGM is Coming Soon —  
See You There!!!***



# LATEST CONSTRUCTION CASES

***Pembinaan Jaya Zira Sdn Bhd v Sungai Lui Construction & Development Sdn Bhd and another appeal [2026] 2 MLRA***  
Court of Appeal, Putrajaya

Pembinaan Jaya Zira Sdn Bhd (PJZ) appointed Sungai Lui Construction & Development Sdn Bhd (SLC) as the total subcontractor for a JKR project, but disputes arose after an alleged non-payment and wrongful termination, leading SLC to sue PJZ in the High Court.

The High Court allowed SLC’s application to enforce the arbitral award under s 38 Arbitration Act 2005 and dismissed PJZ’s application to set aside the award under s 37 AA 2005. PJZ challenged the High Court’s decision on two main grounds; one of the grounds was that the subcontract was illegal and contrary to public policy and thus void under s 24 Contracts Act 1950.

PJZ contended that the contract was illegal and the arrangement between PJZ and the Respondent was in substance an “Ali Baba” arrangement, which contravened the national Economic Policy. (“Ali Baba” arrangement = PJZ, as the main contractor, subcontracted the entire scope of works to SLC, and SLC expressly acknowledged the total-contracting arrangement.)

The Court of Appeal, citing ***Agasta Co Ltd & Anor v. Autopulence Sdn Bhd & Another Appeal [2025] 4 MLRA 591***, held that the “Ali Baba” arrangements are contrary to public policy and therefore void, consistent with the established case law.

The Court of Appeal emphasised that **even if** the award were otherwise enforceable under s 38 of the Arbitration Act 2005, s 39 of the Act 2005 would nevertheless bar recognition or enforcement because the arrangement “*conflicted with public policy*”. In other words, an arbitral award cannot validate, enforce, or give effect to an illegal contract.

***Liziz Standaco Sdn Bhd v Kerajaan Malaysia [2025] CLJU 3545***  
High Court Melaya, Kuala Lumpur

Liziz Standaco Sdn Bhd (LSSB) was appointed under a Facilitation Fund Agreement dated 2 August 2017 to construct six apartment blocks, with the Government of Malaysia (GoM) providing a Grant disbursed progressively based on project progress and unit sales.

LSSB claimed that GoM had delayed the 1st Tranche of the Grant by 764 days, causing financial losses, and commenced arbitration. The Arbitrator found GoM liable for the delay and awarded LSSB RM3.34 million, costs, and 5% interest per annum.

LSSB then applied to set aside the Award under s 37 Arbitration Act 2005 on the basis that the Arbitrator had breached natural justice, rendering the Award contrary to public policy under s 37(1)(b)(ii).

On the one hand, LSSB contended that the Arbitrator had already formed an early view and / or pre-determined the award of interest at 5% per annum being an appropriate measure of LSSB’s loss and damage, but had not explained why this approach was preferred, despite both experts had proposed different figures (LSSB’s 12% and GoM’s 2.2%). On the other hand, GoM maintained that the Arbitrator had considered all evidence and exercised his discretion properly

The High Court held that the Arbitrator’s unilateral adoption of the 5% rate without inviting submissions from the parties was a material breach of natural justice, thus offending Malaysian public policy. On this single ground, the Award was set aside, while all other grounds raised by LSSB were rejected.



**MALAYSIA**

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