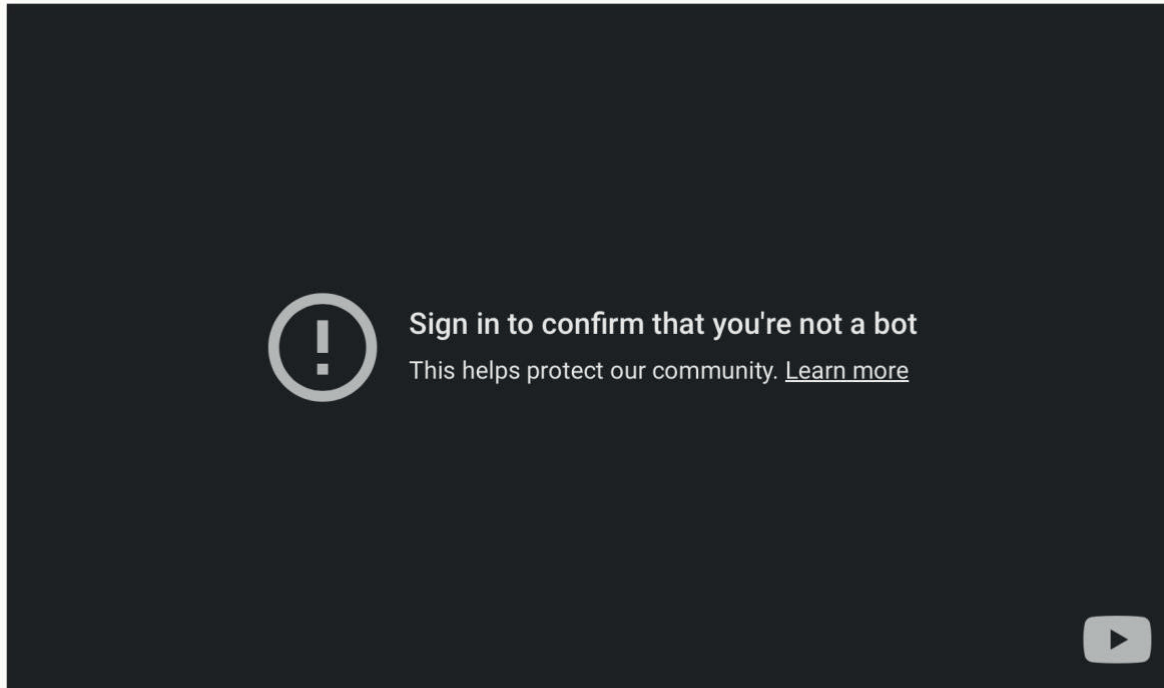


EVENING 5: Five things you need to know today

11 Oct 2024



EVENING 5: TikTok lays off hundreds globally, including in M'sia

Here's a quick look at some of the stories that made headlines today.

Dirty dealings. Corporate battles. Consumer woes. Here are five things you need to know today.

1. TikTok, a short-form video social media app, is laying off several hundred people globally, including a [large](#) number of employees in Malaysia.
2. Public Bank Bhd's acquisition of a 44.15% stake in insurer LPI Capital Bhd for RM1.72 billion is considered "[fair and reasonable](#)", analysts said.
3. Kerjaya Prospek Group Bhd has filed a new [lawsuit](#) against Yong Tai Bhd and its chief executive officer Datuk Boo Kuang Loon over an alleged unpaid contract dispute.
4. Oil and gas company Barakah Offshore Petroleum Bhd announced the [resignation](#) of its independent non-executive chairman Datuk Mohd Zaid Ibrahim after five years at the helm.
5. Pharmaniaga Bhd has secured funding from the government for research and development of [vaccines](#) through the National Vaccine Production Development and Strengthening Fund.

Kerjaya Prospek files fresh lawsuit against Yong Tai and CEO over RM105m contract dispute

11 Oct 2024

KUALA LUMPUR (Oct 11): Kerjaya Prospek Group Bhd (KL:KERJAYA ^{ASX}EDGE) has filed a new lawsuit against Yong Tai Bhd (KL:YONGTAI ^{ASX}EDGE) and its chief executive officer Datuk Boo Kuang Loon over an alleged unpaid contract sum of RM105.14 million related to a construction project in Melaka.

In a filing with Bursa Malaysia on Friday, Kerjaya Prospek said its wholly-owned subsidiary, Kerjaya Prospek (M) Sdn Bhd (KP), has served a writ of summons and statement of claim to Yong Tai and Boo.

Yong Tai is being sued under the corporate guarantee, while Boo is being sued under his personal guarantee for the residual contract in dispute, which was signed between KP and Apple 99 Development Sdn Bhd, a wholly-owned subsidiary of Yong Tai, on Feb 25, 2020.

According to KP, Apple 99 failed to fulfill its payment obligations under a contract for the construction of a mixed development project in Melaka, which includes the Courtyard by Marriott hotel and Apple Serviced Suites.

Yong Tai's defence and counterclaim

In response, Yong Tai said in its filing on Friday that the company has filed another defence and counterclaim, asserting that KP failed to complete the construction work as agreed, leading to significant project delays.

Yong Tai claimed these delays affected both the Courtyard by Marriott Melaka and Apple Serviced Suites, causing financial losses amounting to RM76.62 million.

Yong Tai also contended that a supplementary agreement, signed in April 2023, superseded the original settlement agreement, releasing Apple 99 from further payment obligations to KP.

The company is seeking compensation and a court declaration that KP's demand is invalid under the new terms.

Kerjaya Prospek's previous lawsuits

This fresh legal action follows an earlier writ of summons filed by KP on August 22, where the company sought to recover the outstanding contract sum of RM105.14 million from Apple 99.

KP also sought a declaration that Apple 99 was in breach of the original settlement agreement and requested specific performance under the SA and a related hotel sales and purchase agreement (SPA).

Yong Tai, however, said Kerjaya's claims are without merit, asserting that KP breached key contract terms by not completing the work on time and failing to adhere to the specified scope.

Subsequently, KP issued a demand to Yong Tai and Boo for the outstanding residual contract sum under the corporate and personal guarantees shortly thereafter.

"KP contends that Apple 99's failure to pay the outstanding residual contract sum, combined with its failure, refusal, and/or neglect to perform its obligations under the hotel SPA, entitles KP to claim guarantee and indemnity from both Yong Tai and Boo," the filing read.

After the 30-day period prescribed under the clauses of the corporate and personal guarantees elapsed, Yong Tai and Boo failed, refused, or neglected to satisfy the outstanding residual contract sum to KP, the group noted.

As a result, KP filed the suit to claim payment of the outstanding residual contract sum, interest, costs and other relief deemed appropriate by the court.

Background of the dispute

Kerjaya Prospek initially secured a RM213.75 million contract in 2016 to construct the main building works for a mixed development project in Melaka, known as "The Apple."

The development features a 16-storey hotel, a 32-storey service suite tower and an eight-storey parking podium. The project is a joint venture between Yong Tai and PTS Properties Sdn Bhd.

KP's lawsuit stems from Apple 99's failure to settle the residual contract sum, invoking corporate and personal guarantees. Yong Tai has consistently maintained that KP's claims lack merit, citing breaches in the construction contract by KP.

Shares in Kerjaya Prospek closed four sen, or 2.1%, higher at RM1.95 on Friday, valuing the company at RM2.47 billion. Meanwhile, Yong Tai dropped half a sen, or 2.27%, to 21.5 sen, translating to a market capitalisation of RM92.2 million.