

LEGAL UPDATE 4/2026

**Won Your
Adjudication But
Still Not Paid?
Register First,
Then Wind Up.**

*VKPT Sdn Bhd v LLC Infra Sdn Bhd
[2026] CLJU 2298 (Court of Appeal)*

LLC Infra won its adjudication outright. VKPT's claim was dismissed in full, costs were awarded in its favour, and the money went unpaid. LLC Infra demanded payment, petitioned to wind up VKPT, and obtained a Winding Up Order from the High Court. VKPT appealed against the High Court's decision and the Court of Appeal overturned the said decision — because of a single step it had not taken i.e. registration of the adjudication decision.

Under section 28 of the Construction Industry Payment and Adjudication Act 2012 ("**CIPAA**"), the winning party of an adjudication proceedings may register the decision with the High Court, at which point it takes effect as if it were a court judgment. LLC Infra never did. The Court of Appeal held that this step is what separates a debt the other side can argue about from a debt it cannot. For anyone enforcing an adjudication decision, it is now the first question to ask.

A note on the background: Adjudication proceedings under CIPAA is a fast-track process for construction payment disputes, built on the principle of "pay now, argue later". The adjudicator's decision binds the parties immediately, but either side may still have the dispute finally decided later in court or arbitration. Winding Up, by contrast, is an insolvency process that can bring a company's existence to an end — which is why the courts have long refused to let it be used as a routine debt-collection tool.

What happened

WHEN	WHAT
Jul 2021	VKPT engages LLC Infra as sub-subcontractor on LRT3 trackwork and power conductor rail installation works.
Sep 2022	LLC Infra terminates the sub-subcontract.
19 Apr 2023	VKPT commences adjudication proceedings against LLC Infra.
11 Jan 2024	Adjudicator dismisses VKPT's claim in full and awards LLC Infra RM98,300.00 in adjudication costs.
—	VKPT does not apply to set the adjudication decision aside under section 15 of CIPAA. LLC Infra does not apply to register the said decision as a court judgment under section 28 of CIPAA.
9 Aug 2024	LLC Infra serves a statutory demand — a formal demand giving VKPT 21 days to pay, under section 466 of the Companies Act 2016.

23 Sep 2024	Demand unsatisfied. LLC Infra initiated Winding Up proceedings in the High Court against VKPT.
12 Nov 2024	VKPT commences an action in court, asking the court to finally decide the underlying construction disputes (" Legal Action ").
21 Jan 2025	The High Court pronounces the Winding Up Order. VKPT appeals to the Court of Appeal against the Winding Up Order.
7 Jul 2026	The Court of Appeal allows VKPT's appeal and sets the Winding Up Order aside.

Why registration mattered

An adjudicator's decision binds both sides straight away. But being binding is not the same as being final. Until the said decision is registered as a court judgment under section 28 of CIPAA, it is not yet a court judgment, and the losing party may still resist a winding-up petition on the basis that the money is not really due and owing to the winning party.

Registration under section 28 of CIPAA is what closes that gap. Everything depends on which side of it you are standing:

REGISTRATION OF ADJUDICATION DECISION	STATUS OF THE DEBT FOR WINDING-UP PURPOSES
Not registered	The decision still binds the parties, but this does not stop the losing party from resisting a winding-up petition based on it. To do so, it must show a real, arguable case that the sums claimed are not due and owing to the winning party – not just that it is unhappy. (This is a different question from whether the decision could be set aside under section 15 of CIPAA.)
Registered under section 28 of CIPAA	The decision counts as a court judgment. The losing party can no longer dispute the debt to resist a winding-up petition. Its only way to resist the petition is to show that the winning party owes it as much or more (i.e. a bona fide cross-claim or set-off).

VKPT resisted the Winding Up proceedings by initiating a legal action in Court for a final determination of the parties' dispute. Because the adjudication decision had never been registered under section 28 of CIPAA, that was enough to save it. Had LLC Infra registered the adjudication decision under section 28 of CIPAA, VKPT's Legal Action may not have helped.

Key Takeaways

If you are the winning party in the adjudication proceedings – Register under section 28 of CIPAA before the statutory demand goes out.

If you are the losing party in the adjudication proceedings – Find out first whether the adjudication decision has been registered. If it has not, commence final determination proceedings promptly and document the intention to challenge as you go.

Winning an adjudication proceedings is only half the job. Until the decision is registered under section 28 of CIPAA, it remains something the other side can still dispute to resist the Winding Up proceedings. Registration of an adjudication decision is a short step, and it is best taken the moment the decision arrives.

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Disclaimer: This update is provided for general informational purposes only and does not constitute legal advice. It should not be relied upon as a substitute for legal advice.

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