

# Expired warranty: liability for defects in shipbuilding sub-contract

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November 21, 2023 Fiona Cain, Tenzin Woden

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**PRACTICES** Shipping Dispute Resolution, Ship Construction and Conversion, Shipping

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The High Court of the Republic of Singapore recently considered the liability of a subcontractor for welding defects discovered in portions of a vessel in *Seatrium New Energy Ltd (formerly known as Keppel FELS Ltd) v HJ Shipbuilding & Construction Co, Ltd (formerly known as Hanjin Heavy Industries and Construction Co Ltd) [2023]*. This judgment, although provided by the Singaporean High Court, serves as an important reminder to those entering into a shipbuilding contract under English law on the scope of the builder's warranty obligations.

This alert considers: (a) the existence of defects; (b) whether there was a breach of contractual duty; (c) the warranty provision; (d) the effect of a side letter entered into by the parties; and (e) the doctrine of promissory estoppel.

## Background

Keppel FELS (now Seatrium New Energy Limited) had agreed to design, build, test and sell a semi-submersible accommodation unit (the "**Vessel**") for Floatel International Limited pursuant to a shipbuilding contract dated 17 August 2012 (the "**Main Contract**"). Keppel FELS in turn appointed Hanjin Heavy Industries (now HJ Shipbuilding & Construction Co, Ltd) as a subcontractor to fabricate, assemble and erect the pontoons and lower columns of the Vessel (the "**Works**") under an agreement dated 17 January 2013 (the "**Sub Contract**").

[Read the full article.](#)