



PEMBINAAN DOLLAH AWANG SDN. BHD.

H.Q. : PT 69, Tingkat 2, Bangunan Yamud, Jalan Kebun Sultan,
15350 Kota Bharu, Kelantan. Tel: 09-7471860, 09-7472860 Fax: 09-7473060

Branch : 41B, Jalan Pandan 3/3, Pandan Jaya, 55100 Kuala Lumpur, Malaysia
Tel: 03-9845227 (3 lines) Fax: 03-9846305

EXECUTIVE DIRECTOR
M.T.D CONSTRUCTION SDN BHD

12 JUL 1999

Time Received

Our Ref. : PDA/JKR-MPL/Sub-Cont/99.013
Date : 23 June 1999

MTD Construction Sdn. Bhd.
Lot 8359, Mukim of Batu, Batu 8
Jalan Batu Caves
68100 Batu Caves
Selangor Darul Ehsan.

ORIGINAL

Attn : Encik Mohd Fauzi Ab Hamid

Dear Sir

LETTER OF ACCEPTANCE

SUB-CONTRACT FOR CONSTRUCTION AND COMPLETION OF SEKOLAH MAKTAB PERGURUAN LIPIS, KUALA LIPIS, PAHANG DARUL MAKMUR

We Pembinaan Dollah Awang Sdn. Bhd. ('PDA') hereby agreed to offer you the Sub-contract for the above-mentioned works for the Total Sum of **Ringgit Malaysia: Fifty Five Million Eight Hundred Eighty Eight Thousand Eight Hundred and Eighty Eight Only (RM55,888,888.00)** hereafter called "the Sub-Contract Sum" or such other sum as may be adjusted in accordance with the Conditions of Sub-Contract.

1. Scope of Works :-

Mobilisation and demobilisation of necessary materials, labourers and equipment or plants for the construction and completion of the above works.

All as per attached Bill of Quantities.

2. Work Programme

You are required to liase closely with our representative at site, **Encik Mohamed Johari Ali, the Project Manager** for the detailed planning and implementation of your works. You are required to adhere to the approved work programme so as to achieve a timely execution and completion of your work.

3. Sub-Contract Period

Commencement date : 01st July 1999
Completion date : 17th October 2001
Sub-Contract Period : 120 weeks

4. Contract Documents

The documents referred hereunder shall form part of the sub-contract and is collectively referred to as the Contract Documents :-

- Articles of Agreement;
- Form of Tender;
- Letter of Acceptance of Tender;
- Conditions of Contract and the Appendix annexed thereto;
- Special Provisions to Conditions of Contract for;
 - (i) Advance Payment,
 - (ii) Variation of Price,
 - (iii) Procedure and Limitation on utilisation of imported goods
- Contract Drawings;
- Bills of Quantities;
- Specification;
- Treasury's Instructions as are set out in the Appendix to the Conditions of Contract
- Letter of Acceptance and all correspondence pertaining to the Award

And all these documents shall complement each other. MTD shall deemed to have notice and read all the provisions of the Main Contract and shall thus execute and complete the sub-contract in all respects in accordance with the requirements of the Main Contract except where otherwise varied or amended by this sub-contract.

5. Bill Of Quantities / Priced Schedule Of Works

The quantities in the Bills of Quantities are measured firm except where described as "Provisional". Only provisional quantities and variations will be measured and valued in accordance with the Conditions of Contract.

6. Advance Payment

You shall be paid an advance payment of not more than RM5,000,000.00. In addition you are required to backup the said advance payment with a Banker's Guarantee as an undertaking of your contractual obligation.

7. Performance Bond

You are required to submit as a condition precedent to the commencement of any works under this sub-contract, a Performance Bond in favour of PDA in the form of a Banker's Guarantee in the amount of **RM2,794,444.00 (Ringgit Malaysia Two Million Seven Hundred Ninety Four Thousand and Four Hundred and Forty Four Only)** being 5% of the sub-contract sum for the due performance of this sub-contract. The Performance Bond shall be valid for the full contract period plus twelve (12) months Defect Liability Period and shall be extended accordingly to cover such period beyond the Date of Practical Completion should there be any extension of time

8. Specification and Drawings

All works are to be carried out according to the approved Specifications and Drawings as per instructions given by our representatives.

9. **Payment**

PDA shall issue an Interim Payment Certificate within fourteen (14) days from receipt of your application. Payment shall be made within thirty (30) days from the date of the said approved Interim Payment Certificate.

10. **Variation of Price**

The amount payable by PDA to MTD upon the issuance of the Interim Certificate under Clause 9 hereof shall be increased or decreased in accordance with the Special Provisions to the Conditions of Contract (Variation In Price of Materials for Building Works) as contained in the Main Contract. The net total of any such increases or decreases shall be given effect to in determining the sub-contract sum.

11. **Retention Fund**

Your work shall be subject to a retention fund equivalent to 5% of certified (accumulated) value of work done. Deduction shall be made to each progress payment issued to you.

The said retention shall be released on the expiry of the Defects Liability Period. An additional retention for defective works / tidy up works would be imposed, if necessary.

12. **Defects Liability Period**

The defects liability period shall be twelve (12) months from the date of Certificate of Practical Completion. The Sub-contractor shall make good any defects as identified by PDA representative.

13. **Certificate of Practical Completion**

When the whole of the related works have reached practical completion according to the provision of this contract and to the satisfaction of PDA representative the date of such completion shall be certified by him and such date shall be the date of the commencement of the Defects Liability Period as provided in Clause 12 hereof. The certificate issued under this clause shall be referred to as the "Certificate of Practical Completion". Subject to the agreement of the Client you can apply for sectional practical completion of work.

14. **Certificate of Making Good Defects**

At the end of the Defects Liability Period and in the opinion of the PDA representative any defects, imperfection, shrinkage or any other fault whatsoever which he may have required to be made good under Clause 12 hereof, shall have been made good by you, PDA representative shall issue a certificate to that effect.

15. **LAD (Liquidated and Ascertained Damages)**

Should the Sub-contractor delay in completion of the Sub-Contract Works by the above date of completion of the Sub-Contract Works (and no reasons exists entitling the Sub-

Contractor to an extension of time through default on the part of PDA or by reason for which PDA could obtain an extension of time under the Main Contract), then the Sub-contractor shall be liable for all loss or damage suffered by PDA which may include Liquidated and Ascertained Damages (LAD). The amount of LAD per day shall be 0.02192% of the Contract Sum.

16. Organisation Chart

You are required to submit your proposed Organisation Chart for our approval.

17. Temporary Works, Tidy Up and Clearing Of Site Upon Completion

All temporary works necessary for the execution and completion of your work and clearing of site upon completion shall be deemed to have been included in the contract price. You are required to tidy up, remove all plant, machinery, equipment, tools, debris and materials from site upon completion of the works.

18. Method of Operation

You are solely liable for your operation techniques and will be required to take all necessary precaution as to the safety of the construction sites, embankment, road users etc. You are advised to liaise with our Project Manager on establishing work procedures as to maintain and suit the current safety measures on the construction site. You are to comply strictly to the schedule and instructions given by the Project Manager.

19. List of plant, machinery and equipment

You are required to submit your proposed list of constructional plant and equipment intended to be used for the said work for our approval. You are to provide sufficient plant, machinery and equipment to execute and complete your work as per approved work programme. You are not allowed to demobilise any equipment from the site without prior approval of our representative.

20. Keeping Site Clean and Adherence to the Currently Enforced Laws

You shall take necessary precautions to ensure tyres of all vehicles leaving the site / or travelling on the existing roads and highway are properly cleaned and free of mud. You shall be held solely responsible and for compliance with the rules and regulation of the Local Authorities. Further, you shall be liable for and indemnify PDA in respect of any claim or proceedings arising out of your negligence.

21. Compliance with the Employment Act, Immigration, SOCSO and CIDB Act

You are required to comply strictly to the above-mentioned Acts. Any consequences claimed by third party or problems arise due to your non-compliance to the above shall be your responsibility.

22. **Foreign Workers**

You shall only employ foreign workers who are legally approved and whose entry and employment shall conform to the rules and requirements of the human resource/immigration and taxation laws of Malaysia. You shall be responsible for obtaining their necessary work permits and payment of levy or tax in respect of their employment and the settlement of their wages, salaries and other emoluments. Letter of clearance or documentary proof from the appropriate Authorities certifying fulfillment of the requirements shall be submitted.

You hereby undertake not to employ any illegal immigrant or foreign worker and shall indemnify the Contractor against any liabilities, consequences or action whatsoever imposed by the Authorities arising from your non-compliance. PDA is absolved from all responsibilities and liabilities pertaining to the above laws and regulations in respect of any foreign workers you employ for the Sub-Contract Works.

23. **Occupational Safety & Health Act & Regulations**

You are required to adhere and will be held completely responsible for ensuring your employees fully comply with the Malaysian Factories and Machinery (Building Operation and Works of Engineering Construction) (Safety) Regulation and / or the Occupational Safety and Health Act (OSHA) 1994.

24. **Insurances**

Insurance for the work, Third Party Liability and Workmen's Compensation shall be extended to you. However, you are required to take additional insurance for your plant & equipment if necessary. A copy of the insurance policies can be obtained from PDA HQ upon request.

25. **Give Notice**

Where PDA are required by the provisions of the Main Contract to give notice of any event or other matter, you shall, if the matter similarly relates to the Sub-contract, give notice to PDA within seven (7) days (or immediately if the notice PDA need to give the S.O is seven (7) days or less). Failure by the Sub-Contractor to do this may prejudice the rights of PDA under the Main Contract, and/or PDA may lose those rights. The requirement by the Sub-contractor to adhere to this term is strict and fundamental to this Sub-contract.

26. **Determination of Sub-Contractor's Employment**

Without prejudice to other rights or remedies which PDA may possess; if you shall make default in any one or more of the following respects, that is to say if you;

- (a) Without reasonable cause suspends the carrying out of the whole or any part of the works before completion; or
- (b) Fail to proceed regularly and diligently with the works; or
- (c) Fail to execute the works in accordance with this contract or persistently neglect to carry out your obligations under this Sub-contract; or

- (d) Refuse or persistently neglect to comply with a written notice from the Project Manager to remove and replace any defective work or improper materials or goods; or
- (e) Commit an act of bankruptcy; or
- (f) Becomes insolvent or compounds with or makes arrangement with your creditors; or
- (g) Being a company, you are having a winding up order made against you,

then in any such event, without prejudice to any other right it may possess, PDA may by 7 (seven) days notice and sent by registered post, determine your employment under this sub-contract. All cost in connection therewith shall be borne by you.

27. Arbitration Act

If any dispute or difference shall arise between the parties touching any clause or matter or thing whatsoever herein contained or the operation thereof or any matter or rights duties or liabilities of either party under or in anyway concerned with this Sub-contract, then and in every such case the dispute or difference shall be referred and settled by arbitration in accordance with or subject to the provisions of the Arbitration Act, 1952 or any statutory modification or re-enactment thereof for the time being in force.

All reasonable attempts shall be made by the parties to this Sub-contract to amicably settle any dispute, controversy or claim arising out of this Sub-contract, before referring such dispute to arbitration.

This Letter of Acceptance is issued to you in triplicate. Please acknowledge receipt in the space provided below and immediately return two copies to this office. If you fail to return the two copies to our office within 14 days of this letter, this Letter of Acceptance and your Sub-contract shall be null and void.

Yours faithfully,

x 

HJ. ZULKIFLI B. HJ. DOLLAH

ACKNOWLEDGEMENT AND ACCEPTANCE

We hereby acknowledge receipt and acceptance of the terms and conditions in this Letter of Acceptance. If we fail to return the two copies to your office within 14 days of this letter, this Letter of Acceptance and our Sub-contract shall be treated as null and void.



Signature of Sub-Contractor



Signature of Witness

MOHD FAUZI AB. HAMID

Name in Full

NRIC No. : 4374800

Designation : EXECUTIVE DIRECTOR

Date : 13. 7. 99

FAUDZILAH RAZALI

Name in Full

NRIC No. : 660912 - 11 - 5075

Designation : CONTRACTS MANAGER

Date : 13. 7. 99

duly authorised to sign for
and on behalf of



Sub-Contractor's Seal or Chop