

**SPECIAL PROVISIONS TO THE CONDITION OF CONTRACT
(ADVANCE PAYMENT ON WORKS CONTRACT)**

1. The Contractor shall be entitled to an advance payment on the contract amounting to 25% of the Builder's Work* (subject to a maximum of RM10.0 million) on compliance with the following conditions within three 3 (months) of the Date of Possession of Site.
 - (i) On return of the Letter of Acceptance duly signed by the Contractor together with the Performance Bond, Insurance Policies, confirmation from SOCSO Authorities and the receipts for all premiums paid;
 - (ii) Production of a Bank/Licensed Finance Company/Insurance Company Guarantee as shown on Document "H2" equal in value to the advance proposed to be paid.

2. The advance payment shall be recouped when the cumulative total value of the Builder's Work executed and certified (including the amount certified for Materials on Site) in the Progress Payment Certificates reaches twenty five (25) percent of the total contract value of Builder's Work, by way of a fixed percentage deduction from the total certified value of the Builder's Work executed (including the amount certified for Material on Site) during the period covered by a Progress Payment Certificate, in all the subsequent Progress Payment Certificates on the basis that the advance payment shall be fully recovered in the Progress Payment Certificate in which the cumulative total certified value of the Builder's Works executed (including the amount certified for Materials on Site) reaches seventy five (75) percent of the total contract value of the Builder's Works. The deduction shall be calculated as follows:-

$$D = 200 \frac{A}{B} \text{ percent of P}$$

Where D = cumulative deductions to be made in Progress Payment Certificate.

A = total amount of advance paid.

B = total contract value of Builder's Works*.

P = gross certified value of Builder's Works executed (including the amount Certified for Materials on Site) in excess of 25% of B.

3. The liability under the Bank/Licensed Finance Company/Insurance Company Guarantee shall be terminated upon realisation by the government of the full sum of advance paid. However, if the full sum of the advance paid cannot be realised before the completion date of the Contract or any authorised extension thereof or the case of the contract been determined before the date of the determination, then the balance of the advance repayable to the Government shall be recovered from the Bank/Licensed Finance Company/Insurance Company Guarantee.

• Contract Sum Less P.C., Provisional Sums and Contingencies (if any)