



SYARIKAT MENGURUS AIR BANJIR & TEROWONG SDN BHD

STORMWATER MANAGEMENT AND ROAD TUNNEL PROJECT (SMART)

Company No: 599374-W

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**26 JANUARY 2006**

**URGENT RELEASE**

### **TERMINATION OF CONTRACT WITH SUB-CONTRACTOR**

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THE sub-contractor for SMART's ( Syarikat Mengurus Air Banjir dan Terowong Sdn Bhd ) North Drive was issued with notice of **intention to terminate on 6 January, 2006**.

The reason warranting the issuance of the notification by SMART was failure on the part of the sub-contractor in question to comply with the contractual work progress.

The **termination notice** was served on the sub-contractor on **23 January, 2006** and SMART has since taken over the operations at the North drive.

The SMART tunnel was divided into two halves with the first half (also referred to as the North Drive) contracted to the sub-contractor. Work at the second half of the tunnel (also known as the South Drive) was undertaken by SMART, the main contractor for the project. SMART, which started boring works at the South Drive some three months later than the North Drive, has almost completed its work.

To date, the North Tunnel drive is only about 46% completed, a far cry from the scheduled progress.

SMART is thus forced to take over the North Drive to fulfill the contractual obligation with the Government to complete and handover the tunnel within the time stipulated in the Agreement with the Government.

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PLEASE QUOTE SMART SPOKESPERSON.

THE END