



中國香港建設(集團)總公司

香港代表: 振華工程有限公司

CHINA HARBOUR ENGINEERING COMPANY (GROUP)
HONG KONG REPRESENTATIVE: ZHEN HUA ENGINEERING CO., LTD.EOT claims by
MC

Date: 14 July, 1999

Our Ref.: CHEC/CED/101/07/99

The Hongkong Electric Co., Ltd.
Electric Centre,
28 City Garden Road,
Hong Kong.

Attn: Mr. N.Y. Cheung

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|-------------------|-----|-----|-----|-----|-----|-----|-----|-----|
| LEVITT AND BAILEY | | | | | | DGL | AC | .. |
| LLH | HC | SL | YCH | ... | ... | ... | HNY | 28 |
| 16 JUL 1999 | | | | | | | | |
| DM | HE | ... | ... | ... | ... | ... | KXX | LYL |
| PC | ShH | hKC | SL | CK | LSH | CPH | LCW | |

EOT application by MC

Dear Sir,

Re: Contract No. HEC 96/8011

Site Formation Work for The Hongkong Electric Headquarter Redevelopment
No. 44 Kennedy Road, Hong Kong
Extension of Time Application No. 2

From time to time during progress of works, we have advised that there are miscellaneous events out of our control which have caused us to incur both prolongation and disruption to the works thereby hindering and preventing completion of works by the agreed contract completion date.

Variation Significant revisions have been made to original design which involve enormous numbers of variation. The increased quantum of works and revised working sequence as a consequence of the variations both have direct impact to the original programme.

We also advise that those events are outside the obligations of the Contractor under the contract which entitle the Contractor to seek appropriate reimbursement for both time and cost under relevant clauses of contract conditions.

We have therefore submitted our Extension of Time Application No. 1 under letter Ref. CHEC/CED/031/04/98 dated 30/4/98 detailing our entitlement for time extension of 197 days.

Lengthy negotiation have been held between The Hongkong Electric Co., Ltd. and China Harbour Engineering Co. and following which an agreement is finally achieved wrapping up all delaying events occurred up to a cut-off date of 17/8/1998 so that the contract completion date is extended to 31/10/98, whilst CHEC will waive his right to claim additional overhead costs in connection with all delays up to 17/8/98.

Subsequent to the wrap up agreement and after 17/8/98, we advise that there are again events outside our obligations which further delay the works and prevent completion of works by the extended completion date of 31/10/98.

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In mitigating the delay, we have been working diligently in response to numerous site instructions by frequent rescheduling of working sequence, working extensive overtime and deploying additional labour and plant resources so that the extent of delay had been minimized.

This submission will detail the delaying events beyond 17/8/1998 and explain our entitlement for extension of time under the provisions of the contract.

We also advise our intention to seek for reimbursement for additional overhead as a consequence of the delay pursuant to contract conditions. Detailed application is being prepared and will be submitted for your assessment under separate cover within the next few days.

Whilst we have endeavored to provide fully comprehensive explanations, should there be any matter unclear within this submission, please do not hesitate to call the undersigned for clarification or to arrange a meeting at your earliest convenience so that we can explain the details of our claim more fully.

We look forward to hearing from you soon.

Yours faithfully,

PP Victor Wu
Manager - Civil Engineering Department

VW/MDL/aw

Encl.

c.c. Levett & Bailey - Mr. Colin Kin (w/e)
H.O.