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SunCon accepts RM180m Penang medical centre job

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sunbiz@thesundaily.com



PETALING JAYA: Sunway Construction Group Bhd's (SunCon) subsidiary Sunway Construction Sdn Bhd (SCSB) yesterday accepted the letter of award issued by Alliance Parade Sdn Bhd, for proposed development of the first phase of Sunway Medical Centre in Penang for RM180 million.

Alliance Parade is an indirect wholly owned subsidiary of Sunway Bhd, which is a major shareholder of SunCon.

The project will commence on May 15 and is expected to be completed by Dec 15, 2020. The project is expected to contribute positively to the earnings of SunCon from the financial year ending Dec 31 onwards.

Upon securing the project, SunCon's outstanding order book as at to-date amounts to RM6.3 billion.

"The project is subject to normal construction risk of materials price fluctuation. However, with the past experiences and expertise of SCSB in construction projects, this risk could be mitigated," SunCon said.

The project is a related party transaction by virtue of Evan Cheah Yean Shin being a director and major shareholder of SunCon as well as director of several subsidiaries and major shareholder of Sunway.

Tan Sri Dr Jeffrey Cheah Fook Ling, Puan Sri (Dr) Susan Cheah Seok Cheng, Sarena Cheah Yean Tih, Adrian Cheah Yean Sun, Sungei Way Corp Sdn Bhd and Active Equity Sdn Bhd are major shareholders of both SunCon and Sunway as well as persons connected to Evan. Datuk Chew Chee Kin is a director of both SunCon and Sunway.

SunCon has obtained its shareholders' mandate for such recurrent related party transactions entered into or to be entered into by SunCon and its subsidiaries with Sunway and its group of companies at its last annual general meeting held on June 15, 2017.