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## SunCon secures RM508m highway project in India

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KUALA LUMPUR: Sunway Construction Group Bhd (SunCon) said it had received a letter of award (LoA) on highway construction from the National Highways Authority of India (NHAI) worth a total of 8.64 billion rupees (RM508 million).

In a statement yesterday, SunCon said the project was awarded to the consortium company established between Sunway Construction Sdn Bhd — a wholly-owned subsidiary of SunCon — and RNS Infrastructure Ltd.

India-based RNS Infrastructure is primarily involved in infrastructure construction and has been partnering with SunCon since 2001 and participated together in two infrastructure projects.

SunCon said the construction package involves developing a new road and widening existing road to four lanes on a 36.75km highway stretch in the state of Tamil Nadu, India.

“The project will be operated under the hybrid annuity model (HAM), where NHAI will pay 40% of the project cost during the construction period while the

remaining 60% will be paid over a period of 15 years as fixed annuity amount,” the group added.

HAM is an initiative by the Indian government, which was introduced as a better financial mechanism for road development.

SunCon noted the LoA also includes a 15-year operations and maintenance contract, which will bring about 70.8 million rupee a year.

“We are pleased to clinch our first overseas project for the year as this is part of our plan for geographical diversification focused on Asean and India,” said SunCon group managing director Chung Soo Kiong.

The development and widening work of the highway stretches from the Thorapalli Agraharam to the Jittandahalli sections of national highway 844.

The construction duration for the project is estimated to be two years, and work is expected to start in October 2020.

SunCon shares closed up one sen to RM1.50, valuing the company at RM1.93 billion. The counter saw 427,900 shares change hands.