

SunCon's indirect unit ventures into Myanmar

KUALA LUMPUR (April 2): Sunway Construction Group Bhd's (SunCon) indirect unit Sunway Builders (Myanmar) Co Ltd (SBM) has inked a memorandum of understanding (MoU) with a Myanmar company Capital Construction Ltd (CCL) to jointly bid for major infrastructure and construction projects in Myanmar, marking SunCon's first foray into the Southeast Asian country.

The partnership will see SunCon and CCL, the construction arm of Myanmar conglomerate Capital Diamond Star Group (CDSG), jointly bid for projects like mixed-used developments, offices, hotels and hospitals in Yangon and Mandalay, as well as external infrastructure projects over the next three years, said SunCon in a Bursa Malaysia filing.

"Myanmar is one of the fastest growing economies in Asia with a rapidly developing construction industry, which is expected to remain robust in the coming years as the government seeks to address significant infrastructure issues. Foreign investment flowing into Myanmar will give further impetus to the economy.

"The strategic partnership with Capital Construction Ltd is expected to not only drive the business growth for Sunway Construction Group, but also for the construction industry in Myanmar.

"The MoU will also enable both construction giants to share construction knowledge and expertise in project management, to put forward the most effective strategy for project development," said SunCon.

For internal projects undertaken by CDSG and its member companies, the participating interest for CCL and SBM in the joint venture (JV) shall be on a 65:35 basis. For external projects undertaken by the JV, SBM shall take the lead and the interest division will be on a 60:40 basis.

According to a press release by SunCon, CCL is a general contractor in Myanmar with civil and structural, mechanical and electrical design, and engineering capabilities.

Its projects include the Kokkhine flyover, Shwe Gon Dine flyover, Myaynigone flyover, GEMS Garden condominium, hypermarkets, automotive assembly plant and showroom, manufacturing plants, university and schools.

CCL is part of CDSG, which has interests in food, retail, real estate development, construction, healthcare, banking, insurance and micro finance sectors.