

SunCon JV secures RM508m India road project

Project expected to commence in October 2020 and complete in 2 years

by FARA AISYAH

SUNWAY Construction Group Bhd (SunCon) has bagged a RM508 million road construction project from the National Highways Authority of India (NHAI).

SunCon MD Chung Soo Kiong said the project is awarded to Sunway Construction Sdn Bhd — RNS Infrastructure Ltd, a consortium formed by Sunway Construction Sdn Bhd and RNS Infrastructure.

Explaining the project details, Chung said the works include developing a new road and widening of the existing road to four lanes on a 36.75km highway stretch in the state of Tamil Nadu, India.

"The development and widening works of the highway stretches from the Thorapalli Agraharam to the Jittandahalli sections of the highway.

"The construction is expected to commence work in October 2020 and it is expected to complete in



Chung says SunCon is also bidding for a new highway project with local partners in India and plans to capitalise on its previous experience in the market

two years," Chung said in a statement yesterday.

A delighted Chung added that SunCon is pleased to clinch their first overseas project for the year as this is part of their plan for geographical diversification focused

on Asean and India.

"SunCon's plan for geographical diversification is focused on Asean and India as it leverages on its extensive experience, as well as local knowledge from experienced local partners," he said.

According to Chung, the project will be operated under the Hybrid Annuity Model, 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.

It is part of NHAI's effort to improve the infrastructure and roadworks in India and to widen and to shorten the Hosur-Dharmapuri section of the national highway 844.

The award includes a 15-year operations and maintenance contract which will bring about an additional RM4 million per annum.

Chung recently said the group has surpassed its orderbook target of RM1.5 billion for 2019 by achieving RM1.8 billion in new orders.

SunCon is also targeting new orders of RM2 billion for 2020.

"We are confident of securing our projects in Myanmar and India by the second half of this year," he said.

SunCon has partnered Capital DiamondStarGroup's construction division in Myanmar and it is also

bidding for a new highway project with local partners in India and plans to capitalise on its previous experience in the market.

It is currently building a fully-robotic precast integrated construction precast hub plant in Singapore, as well as exploring piling projects.

The group recorded revenue of RM485.9 million and profit before tax of RM40.5 million for the current quarter ended Dec 31, 2019, compared to a revenue of RM626 million and profit before tax of RM47.2 million in the corresponding quarter of the preceding financial year.

Its construction segment reported revenue of RM440.5 million and profit before tax of RM38 million compared to revenue of RM595.3 million and profit before tax of RM50.1 million in the corresponding quarter of the preceding financial year.

Lower revenue in the current quarter was due to the majority of existing projects which are at its initial stages. The profit margin for both quarters under comparison was broadly the same.