



SunCon accepts related-party contracts valued at RM865.87mil

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KUALA LUMPUR: Sunway Construction Group Bhd  (SunCon) subsidiary Sunway Construction Sdn Bhd (SCSB) has accepted two letters of award from Sunway Velocity Two Sdn Bhd and Sunway Medical centre Sdn Bhd for development works valued at RM865.87mil. In the first award, SCSB will undertake the main building and associated external works for the proposed commercial development of Sunway Velocity Two - Plot B project in Kuala Lumpur for a contract sum of RM253.56mil. The project will commence in November 2020 and is expected to be completed in September 2023. Meanwhile, SCSB will also undertake the main building works for the proposed development of Sunway Medical Centre - Phase 4 project in Bandar Sunway for a contract sum of RM612.31mil. Out of the total contract sum, RM450mil has been accounted for in the existing order book of SunCon as SCSB had commenced works on the SMC4 Project upon the receipt of the letter of intent dated June 1, 2018. The project is expected to be completed in August 2022. "The V2 Project and SMC4 Project are expected to contribute positively to the earnings of SunCon Group from the financial year ending 31 December 2020 onwards. "The Projects are 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," it said. The projects are considered related-party transactions by virtue of the parties' shared directors and shareholders. Sunway Velocity Two and Sunway Medical Centre are both indirect subsidiaries of Sunway Bhd , which in turn is a major shareholder of SunCon. Including the two contracts, SunCon has secured a total of RM1.98bil in new projects year to date.