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SunCon bags RM352m Sunway Velocity 2 works deal

PETALING JAYA: Sunway Construction Group Bhd's (SunCon) wholly owned subsidiary Sunway Construction Sdn Bhd (SCSB) was awarded a RM352.06 million project for the main building and associated external works for the proposed commercial development of Sunway Velocity Two - Plot A Project.

The letter of award was issued to SunCon by Akitek Akiprima Sdn Bhd on behalf of Sunway Velocity Two Sdn Bhd (SVTSB).

The projects includes Phase 1A - serviced apartment of 53 storeys (Block B1) and Podium Carpark; Phase 1B - serviced apartment of 53 storeys (Block B2); and Phase 1C - office block of 28

storeys (Block A1).

SVTSB is an indirect subsidiary of Sunway Bhd, which in turn is a major shareholder of SunCon.

The project is for a period of 37 months, and is expected to be completed by Dec 14, 2021. The project is expected to contribute positively to the earnings of SunCon from the financial year ending Dec 31, 2019 onwards.

"Upon securing the project, SunCon's new order book secured to-date amounts to RM1.35 billion," SunCon said in a stock exchange filing.

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 Datin Seri (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 person 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 AGM held on June 20.