

Sunway Construction secures RM1.5b contract for transit-oriented project in Johor in related party transaction

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KUALA LUMPUR (March 5): Sunway Construction Group Bhd (KL:**SUNCON** **ASK** **EDGE**) has secured a RM1.5 billion contract to undertake construction works for the Rapid Transit System Transit-Oriented Development (RTS TOD) at Bukit Chagar, Johor, in a related-party transaction.

The contract was awarded to its wholly owned subsidiary, Sunway Construction Sdn Bhd (SCSB), by Sunway Integrated Properties Sdn Bhd (SIPSB), an indirect wholly owned subsidiary of Sunway Bhd (KL:**SUNWAY** **ASK** **EDGE**), according to the group's filing with Bursa Malaysia on Wednesday.

The project is divided into two parts. The first phase involves the construction and completion of a multi-storey park-and-ride facility for the RTS TOD project, a drop-off and pick-up facility, a connection to the Immigration, Customs, and Quarantine Complex (ICQ), the perimeter ring road, and retaining walls.

"Following the signing of the letter of award, the first notice to proceed (NTP) has been received for Part A, with works commencing on March 5, 2025. The first section is expected to be completed by November 2026, while overall completion for Part A is slated for November 2027," SunCon said in the filing.

The second phase of the contract, which is subject to a subsequent NTP, will involve the construction and completion of a retail mall, podium, and the top-side property at Bukit Chagar station.

“The works are subject to the normal construction risk of material price fluctuations. However, with the past experience and expertise of SCSB in construction projects, these risks could be mitigated,” SunCon added.

The contract is deemed a related-party transaction as Evan Cheah Yean Shin is a director and major shareholder of SunCon, an alternate director to his father Tan Sri Sir Dr Jeffrey Cheah Fook Ling on the board of Sunway, as well as a director of several subsidiaries and a major shareholder of Sunway.

The announcement follows Sunway’s signing of a master agreement in February for a mixed-use development worth over RM2.6 billion in Johor.

The transit-oriented development, adjacent to the Bukit Chagar station under the Johor Bahru–Singapore RTS, will feature four residential and commercial towers, educational institutions, a health and wellness hub, and a hospitality component with accommodations and meeting spaces.

Under the agreement with Mass Rapid Transit Corp Sdn Bhd (MRT Corp), the state-owned RTS project owner will receive RM450.8 million in development rights value, subject to adjustments.

Sunway earlier said that the construction is set to commence in March 2025, with the first phase of the multi-storey park-and-ride facility — comprising 850 car park bays and 1,015 motorcycle parking spaces — expected to open to the public by Nov 30, 2026. The entire project is slated for completion in 2036.

At noon market break on Wednesday, shares of SunCon rose 11 sen or 2.69% to RM4.20, giving it a market capitalisation of RM5.43 billion. Meanwhile, Sunway shares were up three sen or 0.67% at RM4.53, valuing the conglomerate at RM28.19 billion.