

Ireka welcomes CRRC UT

> Unit of China-based group buys 8.48% of Malaysian company, collaboration pact inked

PETALING JAYA: Ireka Corp Bhd has signed a share subscription agreement (SSA) with CRRC Urban Traffic (Europe) Co Ltd (CRRC UT), which will see the latter emerging as a substantial shareholder with 8.48% equity interest.

Ireka also signed a memorandum of understanding (MoU) with CRRC UT to explore business opportunities. CRRC UT is a member of the China-based CRRC Group, which manufactures rolling stock and rail-related products and systems.

Under the MoU, the two parties will explore business opportunities

in four key areas – urban traffic solutions, tourism and infrastructure projects across Malaysia and Southeast Asia; logistics, with the objective of supporting Chinese companies operating in Malaysia and Southeast Asia; trading of construction and building materials to support the abovementioned Chinese companies; and rail and infrastructure construction projects arising from China's One Belt, One Road initiative in Malaysia.

The long-term strategic collaboration will provide a platform for both parties to

leverage on each other's technical knowledge, expertise and experience for expansion and growth in the four key areas.

Ireka said the investment from the joint venture will provide it the ideal opportunity to diversify into a number of new areas, in particular, urban traffic solutions and rail infrastructure-related projects.

"We are particularly pleased to welcome CRRC UT as our new strategic shareholder in the company. The stake that CRRC UT has invested in Ireka and the upcoming joint venture is another great step forward for our company's growth," Ireka group managing director Datuk Lai Voon Hon said in a statement yesterday.

He said CRRC UT will be a financially strong partner while

CRRC's technical know-how will complement its wide business network.

The CRRC Group already has a presence in Malaysia and is an active player in the country's rail industry through its supply of contracts for the Light Rail Transit system, Express Rail Link and KTM Komuter.

Ireka believes it is ideally positioned to take on the new challenge based on its 50 year track record in building a number of major national infrastructure projects such as the North-South Highway, KL International Airport, Cheras-Kajang Highway and MRT1 Package V7.

Ireka's share price fell 1 sen or 1.64% to close at 60 sen yesterday with a total of 36,800 shares traded.