

Ireka goes into urban transportation business

PETALING JAYA: Construction firm Ireka Corp Bhd is venturing into urban transportation with the signing of a memorandum of understanding (MoU) with CRRC Urban Traffic Co Ltd (CRRC UT), a unit of CRRC Corp Ltd, and STO Express Co Ltd, to establish a collaborative working relationship between them.

Beijing-based CRRC Corp manufactures trains while Shanghai-based STO provides integrated logistics services. CRRC UT also acquired an 8.48% stake in Ireka last December.

Ireka said besides the collaborative MoU, a complementary MoU was signed to pursue urban transportation and logistics business areas.

It said the partnership with CRRC UT will see the company venturing into a new business direction of urban transportation in line with the Economic Transformation Programme.

"The partnership of Ireka, CRRC UT and STO will create a strong strategic alliance that provides an important platform for this tri-partite relationship to leverage on each

other's technical knowledge, expertise and experience for expansion and growth in Malaysia and South-East Asia," it added.

Ireka group managing director Datuk Lai Voon Hon said the company has a good delivery track record and also in diversifying operations.

"Over the last 50 years, we have successfully diversified and expanded from being in construction, to property development to real estate and to information technology.

"We are excited about diversifying into urban traffic solutions and rail infrastructure related projects as well as into the world of logistics," he said.

The MoU signed between the three parties establishes a formal and exclusive working relationship focusing on the investment and development of logistics warehouses, distribution centres and other ancillary real estate facilities to support STO's business expansion in Malaysia and South-East Asia.

The MoU also covers investment and supply of infrastructure and equipment including logistics, commercial and special purpose vehicles to support STO's business

expansion in Malaysia and South-East Asia.

Ireka, which requested a suspension of trading in its shares on Tuesday, said STO has vast experience supporting the exponential growth of e-commerce business in China over the last decade. "STO's expansion to the fast-growing South East Asia region is part of its continual growth plans in international markets," it said.

It said CRRC UT, which already has a presence in Malaysia through the Light Rail Transit, Express Rail Link and KTM Komuter projects, will bring CRRC's expertise in green urban transportation technology to complement Malaysia's urban traffic.

"This includes super capacitor-powered electric buses and the Autonomous-Rail Rapid Transit (ART) vehicles.

"The ART is a first of its kind people-mover that integrates the best of a conventional tram technology with that of a leading edge rail-less and autonomous driving technologies," Ireka said.

The company revealed that the ART was already in operation in Zhuzhou, Hunan province.