

PRESS RELEASE



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IREKA - CRRC URBAN TRAFFIC ESTABLISHES JOINT VENTURE TO PURSUE URBAN TRANSPORTATION BUSINESS OPPORTUNITIES IN MALAYSIA AND THE REGION

KUALA LUMPUR, 23 July 2019 – Ireka Corporation Berhad (“Ireka”) today entered into a Joint Venture and Shareholders’ Agreement (“Agreement”) with CRRC Urban Traffic (Europe) Co. Ltd (“CRRC UT Europe”) to pursue urban transportation business opportunities in Malaysia and the South East Asian region, particularly in the areas of rail, urban transportation, logistics, trading and construction. Pursuant to the Agreement, a 51:49 joint venture company (“JVCo”) will be established between Ireka and CRRC UT Europe.

CRRC UT Europe is a subsidiary of CRRC Urban Traffic Co., Ltd (“CRRC UT”), a member of CRRC Group, the world’s largest rolling-stock and rail transit equipment manufacturer.

Earlier on 4 December, 2017, CRRC UT Europe also took up a strategic stake in Ireka, emerging as a substantial shareholder, holding approximately an 8.48% equity interest in the Company.

The businesses shall include sales and marketing of urban transportation products, special purpose vehicles and other electro-mechanical equipment from CRRC UT and its affiliates. In addition, the JVCo will also provide coordination and liaison services on urban transportation projects; installation, maintenance and after-sale services, the possibility of manufacturing in respect of vehicles, machinery and equipment; and to explore long-term investment opportunities for urban transportation projects and logistics businesses.

The formation of the JVCo solidifies the strategic collaboration between Ireka and CRRC UT, whereby the JVCo will leverage on strengths, expertise and leading edge technological products of the CRRC Group in the areas of urban transportation, and Ireka’s strong track record in delivering large infrastructure projects.

In particular, the JVCo will also focus on providing urban traffic solutions to the Government, city councils and public institutions by deploying integrated solutions and innovative products such as new energy electric buses, and the Autonomous-Rail Rapid Transit (“ART”) system. ART is a leading edge technology from the CRRC Group that combines the transit capacity of a modern tram, with a virtual track, rail-less technology, hence bringing about a significant reduction in implementation costs and timeline compared to traditional rail transit systems. This initiative is in line with the Malaysian Government’s objective to increase the take-up rate of public transportation to 40% by 2030 and hence lower the carbon footprint in the region for sustainable development purposes.

Commenting on the partnership, Ireka's Group Managing Director, Datuk Lai Voon Hon said, "Today, Ireka's collaboration with CRRC UT has taken a positive step forward. The formation of the JVCo will be the start of a long-term relationship between both companies in urban transportation and related businesses. It is also another affirmative step forward in the group's commitment in promoting sustainability in all our developments, products and services. It is expected that the JVCo will contribute positively to the future earnings of Ireka."

THE END



Autonomous-Rail Rapid Transit, ART

About Ireka Corporation Berhad:

Ireka Corporation Berhad ('Ireka') www.ireka.com.my was founded in 1967. Ireka was listed on the Second Board of Bursa Malaysia on 12 July 1993, and transferred to the Main Board (*now known as Main Market*) on 13 June 2002. Currently, the Group's activities are divided into three core businesses; namely **Infrastructure**, **Real Estate**, and **Technologies**.

Note: The diagram below indicates key entities only.



In its over five decades of operation in the **Infrastructure** business, Ireka has distinguished itself by its involvement in constructing some of the country's most notable projects; such as the MRT V7 rail line, the Kuala Lumpur International Airport runway, Kuala Lumpur Middle-Ring Road II, North-South Expressway, Putrajaya Government Administrative Offices, DiGi Corporate Office (D'House), Technology Park Malaysia, The Westin Kuala Lumpur, OCBC Head Office, Wisma AIG and The RuMa Hotel and Residences. For more information, please visit www.ireka.com.my



About CRRC Group & CRRC UT :

CRRC Group is the world's largest manufacturer of rolling stock and rail related products and systems. CRRC UT Europe is a subsidiary of CRRC Urban Traffic Co., Ltd. ("CRRC UT"), a member of the CRRC Group. CRRC UT, a China based company, is a leading player in providing investments, engineering technology and construction solutions in the rail and urban transportation sectors.

CRRC UT Europe was registered in Hungary on 30 June 2016 with its registered office at 1075 Budapest, Károly körút 11.2. em. Hungary. CRRC UT Europe's principal activities includes that of spearheading CRRC UT's international businesses in the areas of provision of urban transportation solutions, and building of smart urban transportation systems and platforms.

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