

PRESS RELEASE



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## **IREKA EYES URBAN TRANSPORTATION BUSINESS OPPORTUNITIES AND TRANSIT ORIENTED DEVELOPMENT**

***Kuala Lumpur, 29 August 2019:*** Leveraging on its expertise in infrastructure works and the strategic partnership with CRRC Urban Traffic Co. Ltd (a member of **CRRC** Group, the world's largest rolling-stock and rail transit equipment manufacturer), Main-Board listed Ireka Corporation Berhad (Ireka) further fortifies its expansion into the urban transportation business in Malaysia and the ASEAN market. Following a Joint Venture and Shareholders' Agreement with CRRC Urban Traffic in July, a 51:49 joint venture company, known as Mobilus Sdn. Bhd (Mobilus), was established to spearhead its urban transportation business. The need for improved connectivity and convenience of public transportation, to address worsening traffic congestion in an overcrowded road network, with the increased need for parking spaces, amongst other challenges, has created opportunities for innovative urban transportation solutions, in Malaysia and in the region.

This Joint Venture will see Ireka pursuing the implementation of urban transportation projects focusing on new energy transit systems developed by CRRC Group. A key focus will be on green energy and smart transportation solutions, in particular implementing an Automated Rapid Transit (ART) system for cities (a first in Malaysia and South East Asia). ART is a leading-edge technology developed by CRRC Group and it is the latest in tram transit technology. ART allows for high passenger capacity, lower cost of implementation, compared to conventional trams, as it runs on virtual tracks without having conventional rail tracks, and operates on clean sources of energy like electricity or hydrogen.

Ireka will be focusing on (a) the supply of electric transportation vehicles, in particular electric buses and ART vehicles; and (b) implementation of urban transportation and transit oriented development (TOD) projects. CRRC Group is also one of the world's largest manufacturers of electric buses, and is at the forefront of driving improvements in its technology. Through its collaboration with CRRC Urban Traffic, Ireka will be marketing CRRC's electric buses to Government, city councils and bus operators across Malaysia and South East Asia.

According to the "Smart Transportation Market - Growth, Trends, and Forecast (2019 - 2024)" report, the Smart Transportation Market is expected to reach USD 224.63 billion by 2024, at a compound annual growth rate (CAGR) of 18.68% over the forecast period.

On the construction front, outstanding works on hand now stands at about RM250 million. The construction division will focus on replenishing its order book this year by tendering for more external projects and starting new internal projects generated by the Group's property division. Over the next 3 years, the construction division will have about RM850m worth of work from the RM1.4 billion GDV from the current targeted project launches.

The construction sector of our core business has been slow to grow in the last year due to delays in approvals for the continuation of large infrastructure projects coupled with a slow-down in both the commercial and residential sectors. With the recommencement of civil engineering projects like ECRL, Ireka has been shortlisted to tender for the forthcoming projects.

Malaysia's healthcare market is projected to grow as the Government pushes ahead with increased healthcare expenditure. There are opportunities for Ireka to build on its track record of hospital construction with the country's expansion in this area by both private healthcare providers and the Government. Ireka is well positioned to tender for these upcoming projects.

On the property front, Ireka's eighth development in Mont' Kiara under its iconic i-ZEN brand, has successfully secured a take up rate of above 80% since its official launch in mid-2018. In the meantime, the joint venture development between Ireka and Hankyu Hanshin is focusing on the development of Dwi@Rimbun Kasia project, consisting of 382 residential units (203 of them dual-key units) in two 9-storey blocks. The development of the Central Park with its public amenities and social spaces in Rimbun Kasia will begin soon; as Ireka and Hankyu Hanshin prepare for the launch of the next development phase by the end of the year. Rimbun Kasia will have five land parcels for residential projects and a parcel for a commercial project. Covering 30.65 acres, it has a gross development value of RM1.1 billion.

"Ireka is breaking new ground with its expansion into urban transportation and being at the forefront of working towards solving the country's urban transportation problem. Since 2018, Ireka has been working on development opportunities on the ART which included discussions with the Ministry of Transport, State Governments, city councils and other relevant authorities. Although in its early stages, the responses have been encouraging and we are currently working on various opportunities in different locations. We are hopeful that the urban transportation business and the opportunities for transit-oriented development projects (TOD), will contribute positively to the Group's earnings in the future," says Datuk Lai Vooh Hon, Group MD, Ireka Corporation Berhad.

**The End**



Automated Rapid Transit (ART)

**About Ireka Corporation Berhad:**

**Ireka Corporation Berhad** ('Ireka') [www.ireka.com.my](http://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 and Wisma AIG.

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