

For Immediate Release

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STATEMENT BY MRL ON OWNERSHIP OF ECRL ASSETS DURING MANAGEMENT, OPERATION & MAINTENANCE (MOM) PHASE

Malaysia Rail Link Sdn Bhd (MRL) wish to reiterate that there are no changes to its plans for the post-construction partnership with China Communications Construction Company Ltd (CCCC) as per the signing of a Memorandum of Understanding (MoU) for ECRL's management, operation and maintenance (MOM) phase back in April 2019.

The plan is also consistent with the recent statement made by the Minister of Transport, YB Loke Siew Fook, during the Special Chamber of Parliament where it was highlighted that MRL and CCCC will jointly share the costs for ECRL's operations as well as facilitate the exchange of technical know-how and expertise.

MRL is currently the project owner of the ECRL while CCCC is the engineering, procurement, construction, and commissioning (EPCC) contractor. Subsequently for the operation of ECRL, a new joint-venture company between MRL and CCCC will be established.

A Shareholders' Agreement between MRL and CCCC for the incorporation of a joint-venture company to assume the role of Operator or Operating Company (OpCo) of the ECRL will be finalised this year.

MRL and CCCC will each bear 50 percent of the risk in the OpCo if the ECRL operates at a deficit, while MRL will receive 80 percent of the earnings and CCCC the balance of the 20 percent earnings should the ECRL operates at a surplus.

MRL also wish to state it has been appointed as the Asset Owner of the ECRL by the Government of Malaysia, in line with the plans that was established back in April 2019. This will pave the way for MRL to sign an Operation Agreement with the OpCo to enable the OpCo to gain access to ECRL's assets for operation and maintenance.

On that note, MRL wish to state it will have full ownership of ECRL assets on behalf of the Government as the ECRL Asset Owner Company throughout the operation phase of the ECRL. Hence, the Government of Malaysia will own 100 percent of all ECRL assets via MRL, considering the company is a wholly-owned subsidiary of the Minister of Finance (Incorporated)[MOF(Inc.)].

The 665-km ECRL Project is scheduled for completion from Kota Bharu, Kelantan to the Gombak Integrated Terminal, Selangor in December 2026, with operations commencing in January 2027. Its full completion which involves rail extension from Gombak to Port Klang is expected a year later in December 2027.

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