

KUANTAN PORT CONSORTIUM, NORTHPORT, MALAYSIA RAIL LINK INK MEMORANDUM OF UNDERSTANDING

KUANTAN, 15 August 2024 - Kuantan Port Consortium Sdn Bhd (“Kuantan Port”), a subsidiary of IJM Corporation Berhad, Northport (Malaysia) Bhd (“Northport”), a member of MMC Group, and Malaysia Rail Link Sdn Bhd (“MRL”) have signed a Memorandum of Understanding (“MoU”) to formalise collaborative efforts to ensure the realisation of the East Coast Rail Link (“ECRL”) land bridge connecting Kuantan Port to Port Klang, enhancing connectivity, seamless integration, efficiency and streamlined transfer of goods between the two ports.

The Minister of Transport, YB Loke Siew Fook was present to witness the MoU signing between the Chairman of Kuantan Port and Group CEO & Managing Director of IJM Corporation Berhad, Mr. Lee Chun Fai, the Chief Executive Officer of Northport, Dato’ Azman Shah Mohd Yusof, and the Chief Executive Officer of MRL, Dato’ Sri Darwis Abdul Razak. The MoU signing ceremony was held during the Kuantan Port International Conference 2024, in conjunction with the 50th Anniversary of Kuantan Port held at the Sultan Ahmad Shah International Convention Centre in Kuantan.

The MoU outlines a comprehensive collaboration among all parties to strengthen strategic partnership across several key areas. The collaboration includes the development of a strategic plan for establishing a seamlessly integrated land bridge connecting rail and port operations, which will facilitate efficient cargo movement between the two ports leveraging on the ECRL and reducing transit times. This partnership will also capitalise on the trade opportunities derived from the Belt and Road Initiative as well as the Halal Silk Route to bolster trade and investment links throughout Asia.

The partnership also focuses on human capital development through the exchange of technical expertise to address industry challenges and advance operational capabilities. Northport's NICE (Northport International Centre of Excellence), a training centre accredited by Jabatan Pembangunan Kemahiran and Human Resource Development Corporation (HRD Corp), will be utilised to provide comprehensive training programmes, enhancing skills and competencies across both ports.

"This MoU with Northport and Malaysia Rail Link represents a transformative step in enhancing Malaysia's logistics and trade infrastructure. By seamlessly integrating Kuantan Port with Port Klang through the East Coast Rail Link, we are not only improving the efficiency of cargo movement but also positioning the East Coast as a vital logistics hub. This partnership underscores our commitment to driving economic growth in the East Coast Economic Region, attracting further investments, and strengthening the connectivity between the East and West Coasts, and their hinterlands. We look forward to working closely with our partners to realise the full potential of this collaboration," said Kuantan Port Chairman, Mr Lee Chun Fai.

"As a port operator, Northport is highly committed to facilitating the Government's strategic plan to enhance efficiency and connectivity between the East Coast and West Coast, connecting the dots between the respective economic growth areas. With our competitive advantage, this MoU will further elevate Northport as the Regional Distribution Hub of choice and strengthen our position as a key gateway port. The direct connection of ECRL to Port Klang will enable Northport to scale up our multi-modal operations, benefitting from the transit-oriented development of new industrial parks along alignment of ECRL's cargo route. By leveraging on the strengths and resources of all parties involved, we aim to ensure faster cargo movement across the country," said Dato' Azman.

MRL Chief Executive Officer, Dato' Sri Darwis Abdul Razak, said the signing of the tripartite MoU signals the commitment to realise the ECRL land bridge that will enhance connectivity and logistics efficiency between the East and West Coasts of Peninsular Malaysia. He said MRL together with Kuantan Port and Northport will develop a comprehensive plan involving infrastructure requirements, operational procedures and timelines that will optimise the usage of the ECRL land bridge. This includes coordinating efforts between the parties to ensure a smooth integration of rail and port operations as well as cargo movement between Kuantan Port and Northport.

"The ECRL land bridge's port-to-port connectivity will also complement easier access to East-West trade flows as it has a direct connection between Kuantan Port which faces the South China Sea and Northport along the Straits of Malacca. The ECRL land bridge is poised to slash cargo vessel travel time by up to 2.5 days along the busiest maritime routes," added Dato' Sri Darwis.

ECRL, administered and implemented by MRL, is a 665-km electrified railway link infrastructure project that connects Kota Bharu in Kelantan to Port Klang in Selangor, bridging the East Coast and West Coast of Peninsular Malaysia. This project aims to link state capitals, major urban centres, industrial hubs, ports, airports and tourism zones while interchanging with existing railway lines in Peninsular Malaysia.

The project, which is scheduled for full completion in December 2027, is designed to enhance transportation connectivity, facilitate economic development, and promote trade and tourism along the East Coast region. Primarily a cargo route, the ECRL focuses on optimising rail use with 70% capacity for freight and 30% for passengers, emphasising industrial parks, logistics hubs and transit-oriented developments.

“This strategic collaboration marks a significant milestone in Malaysia's logistics and transportation landscape. By leveraging the strengths of Kuantan Port, Northport and MRL, we are not just connecting two ports, but we are bridging economies and opening new avenues for growth. This partnership will enhance our competitive edge in the region, drive operational excellence, and contribute significantly to Malaysia's position as a key logistics hub in Southeast Asia. We are excited about the opportunities this brings and are committed to delivering value to our stakeholders and the nation as a whole,” concluded Mr Lee Chun Fai.



Photo caption: The Minister of Transport Malaysia, YB Loke Siew Fook (fourth from left) witnessing the MoU signing between Kuantan Port Consortium's Chairman, Mr Lee Chun Fai (second from left), Northport's Chief Executive Officer, Dato' Azman Shah Mohd Yusof (third from right), and MRL's Chief Executive Officer, Dato' Sri Darwis Abdul Razak (second from right) during a ceremony held at the Sultan Ahmad Shah International Convention Centre, Kuantan on 15 August 2024.

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About Kuantan Port Consortium Sdn Bhd

Kuantan Port Consortium Sdn Bhd (Kuantan Port) is a leading deep-water terminal on the eastern coast of Peninsular Malaysia, jointly owned by IJM Corporation Berhad (60%) and Beibu Gulf Holding (Hong Kong) Co. Ltd. (40%). Strategically located at the centre of the petrochemical industry, Kuantan Port has become a key hub for petrochemicals, mineral resources, and agriculture, as well as the only container port in the East Coast region.

With state-of-the-art facilities and an extensive network of global shipping connections, Kuantan Port plays a crucial role in driving industrial and manufacturing growth within the East Coast Economic Region. Its strategic location facing the South China Sea positions the port as the primary gateway to China and the Far East while also serving as a vital transshipment hub for regional ports.

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About Northport (Malaysia) Bhd

Northport (Malaysia) Bhd (Northport) is one of the largest multi-purpose gateway ports of its kind in the national ports system. Northport is grouped under MMC Port Holdings Sdn Bhd (MMC Ports), Malaysia's largest integrated logistics service provider. MMC Ports is a wholly-owned subsidiary of MMC Corporation Berhad, a leading utilities and infrastructure group with diversified businesses under four divisions, namely Ports and Logistics, Energy and Utilities, Engineering, and Industrial Development.

Northport offers dedicated facilities and services to handle a wide variety of cargoes ranging from containers to cars, break bulk cargoes as well as liquid and dry bulk cargoes of all types and shipment sizes.

With a historical tradition dating back more than 100 years, Northport plays an important role in the development of the Malaysian economy and the country's burgeoning international trade.

Northport is the recipient of the "Occupational Safety and Health (OSH) Practitioner with Best Integrity" Special Award at the Integrity, Governance, and Anti-corruption Awards ("AIGA") 2023, Anugerah Perdana Penarafan Bintang Sasaran Penting (APBSP) 2023 under the Key Point II category, British Safety Council's International Safety Awards (Merit) in 2023 and winner of the International Association of Ports and Harbors ("IAPH") 2022 Sustainability Award, under the Health Safety and Security category, the first Malaysian port to receive the prestigious international award from IAPH, Northport is also the winner of the Best Port Safety Management Award from the Ministry of Transport Malaysia in 2021.

Northport is the Gold Award winner of the Integrity, Governance and Anti-corruption Awards ("AIGA") 2022 and 2023, and winner of the National Occupational Safety and Health ("NOSH") Award 2020/2021 in the Business Services, Mentor-Mentee (Mentor) and the CEO of the Year (Private Sector) categories, NOSH Award 2019 in the Business Services category and Malaysia's Best Seaport - Outstanding Performance Award presented by the Ministry of Transport Malaysia for two consecutive years, in conjunction with the Malaysia World Maritime Week 2016 and 2017.

Northport also holds the distinction of being the first port in Malaysia to be awarded the ISO 45001:2018 for Occupational Health and Safety Management Systems in 2019 and ISO 37001:2016 Anti-Bribery Management System (ABMS) in 2021.

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About Malaysia Rail Link Sdn Bhd

Malaysia Rail Link Sdn Bhd (MRL) is the project owner of the 665-km ECRL that will traverse through the East Coast states of Kelantan, Terengganu and Pahang before linking with the Klang Valley. The ECRL alignment from Kota Bharu to the Gombak Integrated Terminal is expected to be completed by December 2026 and operational by January 2027. Its alignment between Gombak and Port Klang is scheduled for completion in December 2027, with full operations to commence from January 2028 onwards.

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