



PRESS RELEASE

Memorandum of Understanding on Railway Network Access Between Railway Assets Corporation and Asia Freight Rail Sdn Bhd (AFR)

Railway Assets Corporation (RAC) and Asia Freight Rail Sdn Bhd (AFR) have signed a Memorandum of Understanding (MoU) to underline the terms and conditions related to the use of RAC-owned railway network access by AFR for their business purposes (cargo transportation). Among matters to be fine-tuned are those related to access charge, usage period, rights and obligations of the two parties, as well as other terms and conditions.

For the record, right now, the railway network across the board in the Peninsular Malaysia is owned by the RAC, which is a federal statutory body under the Transport Ministry, and it is being utilised fully by Keretapi Tanah Melayu Berhad (KTMB). In accordance with the Transport Ministry's policy on Multiple Railway Operator (MRO), the use of railway network in the future will be expanded to other qualified operators. This move is seen capable of boosting and taking the national railway industry to greater heights.

To realise this aspiration, RAC and KTMB have agreed to implement the RAILWAY NETWORK ACCESS AGREEMENT (RNAA). This agreement has been signed by the two parties on 22 December 2016 and it will be finalised within 12 months after the signing.

The implementation of the RNAA is necessary to explain the functions and jurisdictions between the operators and owner of the railway asset and infrastructure. In this regard, the owner of the asset and infrastructure is the RAC as stated in the Railway Act 1991 (Act 463), while the operator is the KTMB (as current operator) and any potential railway operators.

As such, the official agreement between RAC and AFR as stated in the memorandum will be finalised after the RNAA takes effect. It is to avoid disputes concerning the terms and conditions between the parties involved.

RAILWAY ASSETS CORPORATION

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