

# MEDIA RELEASE

## MRT SUNGAI BULOH-KAJANG LINE OPERATIONS AND MAINTENANCE AGREEMENT SIGNED

### ***MRT Corp formalises appointment of Rapid Rail Sdn Bhd as operator***

**Kuala Lumpur, 1 July 2016:** Mass Rapid Transit Corporation Sdn Bhd (MRT Corp) and Rapid Rail Sdn Bhd have signed the MRT Handing Over and Operating Agreement which formally appoints the latter as the operator for the MRT Sungai Buloh – Kajang (SBK) Line.

Besides the operational requirements for the line, the agreement also spells out the obligations that Rapid Rail, a subsidiary of Prasarana Malaysia Bhd (Prasarana), has with regards to maintenance of the rolling stock, stations, systems and other assets.

Signing for MRT Corp was its Chief Executive Officer Dato' Sri Shahril Mokhtar while Rapid Rail Chief Executive Encik Ahmad Nizam Mohamed Amin signed for his company. The agreement was signed yesterday.

Prime Minister Dato' Sri Mohd Najib Tun Abdul Razak later witnessed the exchange of documents between the parties which was done during the Kelana Jaya Line and Ampang Line LRT Extension launch yesterday.

MRT Corp Chief Executive Officer Dato' Sri Shahril Mokhtar said this was an historic moment for MRT Corp as it signaled the transformation of the MRT Sungai Buloh-Kajang Line as a project that was under construction towards an operational MRT line.

"For the past six years, MRT Corp had worked hard to create a modern, state of the art MRT system and now, we are near the moment when we hand over what we have created to the appointed operator," he said.

The Government had earlier decided that Prasarana, or its subsidiary, would be the operator for the SBK Line, the first line of the Klang Valley MRT Project to be developed by MRT Corp. This was to ensure complete integration of the MRT service with the existing light rail transit (LRT) and monorail services currently operated by Rapid Rail.

MRT Corp would remain the asset owner of the SBK Line.

Under the agreement, Rapid Rail is appointed as the operator for a term of ten years, with an option of an extension of a further five years. The agreement was drawn up on the basis of Asset Lease terms with Rapid Rail leasing the asset from MRT Corp for an annual fee.

Rapid Rail will operate the MRT line and retain all fares collected, while MRT Corp will retain non-fare revenue, such as revenue from advertising and retail leasing. The fares will be set by the Suruhanjaya Pengangkutan Awam Darat (SPAD).

Rapid Rail will also be responsible for maintaining the assets. However major refurbishing costs will be borne by MRT Corp, the asset owner.

MRT Corp will set asset performance Key Performance Indicators (KPI) on Rapid Rail to ensure the assets perform at the highest level. The KPIs will also enable MRT Corp to optimise the asset's life cycle cost management. At the end of the lease, the assets would be returned to the asset owner in a fair condition.

MRT Corp's Operations and Asset Maintenance Division will oversee matters involving assets maintenance, including carrying out asset condition audits throughout the lease period.

All operations related KPI will be set by SPAD as the government agency that regulates and enforces all matter relating to public transport. Among the factors that measures the operations KPI are timeliness, availability and reliability.

Prasarana will also operate the feeder bus system that will provide first and last-mile connectivity to the MRT network.

The first phase of the SBK Line – between the Sungai Buloh Station and the Semantan Station - will begin operations in December 2016, with the second stage of operations covering the rest of the line to commence in July 2017. In view of this, the handover by MRT Corp to Rapid Rail will be carried out in two stages in accordance with the two operations dates.

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