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FOR IMMEDIATE RELEASE

MRT CORP CLARIFIES THE BUDGET CEILING FOR THE LRT MUTIARA LINE PROJECT

KUALA LUMPUR, 21 August 2025 - MRT Corp wishes to clarify recent reports regarding the budget ceiling for the LRT Mutiara Line Project, which has been set at RM16.8 billion.

In 2016, the original estimated cost for the implementation of the Penang LRT Bayan Lepas Project was RM10 billion, based on an alignment stretching from Silicon Island to Komtar.

In early 2024, the Federal Government made the decision to take over the project, now known as LRT Mutiara Line, with an extended alignment from Macallum to Penang Sentral. With this enhancement, the project cost was increased by RM3 billion to RM13 billion, benefiting a larger catchment area and improving service reach.

Following its appointment as Project Developer and Asset Owner by the Federal Government, MRT Corp undertook detailed studies and engineering assessments to articulate infrastructure and rail system designs, refine railway alignment, finalise work scope of various packages and appraise the latest project cost. In doing so, MRT Corp also sought independent cost assessments from two different quantity surveyor firms.

Based on market data in 2024, the project budget needed to be revised to reflect global supply chain inflation, escalation of land market values, and additional works at Macallum as well as Silicon Island. In December 2024, the Federal Government approved a project budget ceiling of RM16.8 billion and MRT Corp has been mandated to keep the cost lower. The actual project cost would depend on results of on-going and upcoming open tender exercises.

In January 2025, a conditional contract valued at RM8.31 billion was awarded to SRS Consortium Sdn Bhd for the Civil Main Contract Package 1. As part of the contract conditions, the contract was subject to a value management exercise in April 2025, which eventually reduced the contract sum to RM7.93 billion.

The budget ceiling of RM16.8 billion also includes land acquisition cost which is now estimated at approximately RM2 billion. The balance RM6.8 billion is for Civil Main Contract Package 2, Light Stabling Depot at Sungai Nibong and Systems Turnkey Contract – all of which are yet to be awarded, as well as project management and consultancy costs.

MRT Corp reiterates that the revised ceiling does not represent uncontrolled cost escalation. It primarily reflects prevailing market conditions since the last 8 years.

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