



Scomi Engineering Bhd

News Release

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Scomi Engineering and Škoda Transportation concluded partnership in transport products for global market

PETALING JAYA / PILSEN: Scomi Engineering Bhd ("Scomi" or "Scomi Engineering") and Czech transport engineering company Škoda Transportation ("Škoda") inked a Collaboration Agreement ("CA") for the Mass Rapid Transit ("MRT") and Light Rail Transit ("LRT") vehicle joint development. The partnership will see both parties emerge with new product offerings to complement their existing suite of transport solutions, product and services for worldwide distribution.

"We are confident that this collaboration by both parties will enable Scomi to participate in a wider range of transport projects including LRT and MRT. Both parties bring individual technical and management skills and capabilities, which cohesively strengthens our joint transport solution offerings to the global market. Further, Scomi is also targeting for higher local content in the products for Malaysia and the region. We anticipate 60% of local content which will include manufacture of key components in Malaysia," said Kanesan Velupillai, Chief Executive Officer of Scomi Engineering.

"Our company is a strong player in the field of rail and public transport vehicles in central Europe. In the past few years we have also penetrated some Asian markets. But with this Scomi Engineering partnership, we hope to become one of the key players in the global market," said Tomáš Krsek, Chairman of the Board, Škoda Transportation.

This cooperation will be very beneficial for both parties. Scomi can provide for Škoda an opportunity to break into the ASEAN, Brazil and India markets, where the company has already a strong presence. Based on the successful collaboration, Scomi will have opportunity to cooperate with Škoda in markets of central Europe.

In tandem with the Collaboration Agreement, Scomi has also signed a Master Distribution Agreement (“MDA”) with Škoda Electric (the subsidiary of Škoda Transportation) for the distribution and marketing of Škoda Electric’s products. Under this MDA, Scomi has exclusive rights to use, market, distribute and resell components, products and services of Škoda Electric in the Brazil and ASEAN markets while other specific markets are non-exclusive. The products under this MDA include but are not limited to, complete rail vehicle traction solutions, traction motors, traction and auxiliary power equipment and Train Control Monitoring Systems (TCMS). This partnership will also offer products jointly developed by Scomi and Škoda Electric and refurbishment/modernisation services for rail vehicles in our regions.

“Currently, Scomi only manufactures diesel or petrol-powered buses but with this MDA, we will have the potential to expand into manufacturing and refurbishing electric and hybrid buses as well. Škoda Electric’s competences will also enable us to equip our vehicles in monorail projects with complete propulsion system including traction inverters, traction motors, TCMS etc. This will cater to the increasing demand for greener and more efficient solutions in our markets,” added Kanesan.

Scomi Engineering is currently operating and maintaining Phase 1 of the Mumbai Monorail in India while work on Phase 2 is ongoing with completion expected in 2016. Scomi’s new four-car trains are already in operations for the KL Monorail, the

world's first mixed fleet operation for monorail. Its three projects in Brazil are ongoing with the latest win for Line 18 currently in the pre-project finalisation phase.

Škoda has been involved with the design and manufacture of various trams, metro, electric units and locomotive systems throughout Europe and has over 150 years of track record. This year 31 new low-floor ForCity Classic trams arrived in the Hungarian city of Miskolc and 72 new vehicles of the same concept in the Turkish city of Konya (some of them with new battery-drive). 60 ForCity Plus trams in two versions are heading to the Slovak metropolis of Bratislava. Other types of trams are used for example in Italy, the USA or Poland. Another important strategic area for Škoda Transportation is the electric train market. The company supplies electric units to Latvia, Slovakia, Ukraine, Germany and of course to the Czech Republic. The global leader in the supply of trolleybuses is the company Škoda Electric. Its trolleybuses are used in dozens of cities in Europe and in the world today, including Bratislava, Riga, Budapest and Bologna.

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About Scomi Engineering Bhd

Scomi Engineering Bhd is a leading provider of public transportation solutions through the designing and manufacturing of coaches, rail wagons, monorail systems; and special purpose vehicles. Its monorail SUTRA which stands for Scomi Urban Transit Rail Application is Scomi's answer to fast growing cities where transit corridors are limited in space and dense in nature.

The straddle type SUTRA Monorail System complies with the highest international standards of safety and reliability. It is a modern urban transport system where the cars move on a single concrete beam in an elevated corridor. The design makes it possible to execute the project on a fast-track as it requires a small foot-print and facilitates implementation with minimal demolition of structures. Other advantages include greater reliability, high maneuverability, lower cost and an environmentally-friendly design.

About Škoda Transportation

Škoda Transportation is one of the leading European companies in the field of transport engineering. Its products primarily include low-floor trams, electric locomotives, suburban train units, metro sets, trolley buses, but also traction motors or complete drives for transportation systems. Škoda Transportation has several subsidiaries in the Czech Republic, including Škoda Electric, Škoda Vagonka and Pars nova. Other companies are also in Germany, Poland, Finland, Hungary and Russia. Škoda Transportation employs approximately five thousand and five hundred people in its companies. It is only thanks to its high investments in research and development that Škoda Transportation can regularly introduce new and modern products on the market and that these products are successful on markets abroad. The company has invested more than 3 billion Czech crowns in research and development over the last three years.

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