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MMC DEFENCE FORGES TIES WITH GERMAN AND SWISS DEFENCE GIANTS

Langkawi, October 3, 2003 – MMC Defence will embark on the manufacture of rubber components for battle tanks and provide simulators to help the Malaysian government cut costs in defence training.

These added capabilities were revealed at the signing of industrial alliance agreements with Germany’s DIEHL Remscheid GmbH and Switzerland’s RUAG Electronics, witnessed by Dato’ Seri Mohd Najib Tun Razak, Malaysia’s Minister of Defence. These memoranda give Malaysia access to fresh technology and new markets - DIEHL is an international arms giant from Germany while RUAG Electronics is widely known as Switzerland’s foremost powerhouse in training simulation technology.

For MMC Defence, this event signifies the company’s wider involvement in Malaysia’s defence industry, a step up from its traditional role of supplying, upgrading, maintaining and refurbishing armoured vehicles for the Malaysian armed forces. The company, in collaboration with DIEHL, will embark on the local production of rubber-padded tracks for the Polish PT 91-M Main Battle Tanks (MBTs) recently purchased by the Malaysian government. The agreement could be extended in the future to cover the production of specialty rubber parts and complete track systems for external markets.
In addition to providing integrated logistics support and maintenance, MMC Defence, together with RUAG Electronics will be able to offer the government MBT training simulators to allow the Malaysian army to be trained in a more cost effective manner.

Today’s agreement, defence analysts say, will close the loop as MMC Defence will eventually evolve to be a one-stop center for all matters pertaining to MBTs.

Since its initial involvement in national defence projects in 1989, MMC Defence has successfully implemented several contracts with the Ministry of Defence. It has since built its reputation as a leader in the specialised field of armoured vehicle refurbishment and upgrading. The company is also undertaking the design and manufacture of specialised defence equipment, which complies with strict international defence standards.

**Background Information**

**RUAG Electronics**

With a corporate headquarters in Bern, Switzerland, and ten further business locations throughout Switzerland, RUAG Electronics is a member of the RUAG Technology Group, a USD580 million holding company. The company’s core businesses are in Telematics, Simulation & Training and Specials.
DIEHL Remscheid GmbH
Engaged in the track business since 1959, DIEHL Remscheid is the centre of the track production for tanks and all types of armoured vehicles. It is part of the Equipment Division of DIEHL Group, which was founded in 1902 and is now listed amongst 100 of Germany's largest industrial companies. The Diehl System Track has established Diehl Remscheid's reputation as a reliable partner not only in the German services but also to many NATO partners and other armed forces in the world. The company today claims with justification to be the only fully-integrated military track designer and manufacturer in the world.

MMC Defence Sdn Bhd
One of the country’s leading defence companies, MMC Defence made headlines earlier this year when it entered into an Industrial Cooperation Agreement with BUMAR FTE and BUMAR Labedy of Poland, which enables the company to provide integrated logistics support and content management locally for the MBTs purchased by the Malaysian government.

MMC Defence is a wholly owned subsidiary of the MMC Group.