

MEDIA STATEMENT

Kuala Lumpur, 28 August 2006

Khazanah acquires a substantial stake in Pantai Holdings Berhad and to set up a joint venture with Parkway Holdings Ltd. and Launch Mandatory Offer for Pantai shares

Khazanah Nasional Berhad ("Khazanah") today announced that its wholly owned subsidiary, Pantai Irama Ventures Sdn Bhd (formerly known as Magna Cahaya Sdn Bhd) ("Pantai Irama") had become a substantial shareholder of Pantai Holdings Berhad ("Pantai") with a stake of 30,919,855 shares representing approximately 6.6 percent in Pantai.

Khazanah also announced that Pantai Irama had on the 28th August 2006 entered into a conditional Sale and Purchase Agreement with Swiss Zone Sdn Bhd ("Swiss Zone"), a wholly owned subsidiary of Parkway Holdings Ltd ("Parkway"), and Parkway to acquire its 134,700,000 shares in Pantai at a price of RM2.65 per share. Parkway will in turn acquire 49 percent of Pantai Irama, valuing its Pantai shares at RM2.65 per share.

Khazanah, Swiss Zone, Parkway and Pantai Irama have further on the 28th August 2006 entered into a conditional Shareholders Agreement in relation to Pantai Irama. The Shareholders Agreement provides for majority equity ownership for Khazanah, whilst operational and management responsibility for the hospitals will be governed through a management contract with Parkway that will be entered into at a later date. Both Khazanah and Parkway are fully committed to comply with all Malaysian regulations and policies in relation to Pantai's concession assets.

The transactions and agreements are conditional upon approval from the Foreign Investment Committee ("FIC"), amongst others, and upon this approval and the fulfilment of all conditions in the agreements will trigger a mandatory takeover offer ("Proposed Offer") for all remaining Pantai shares not held by Pantai Irama at a cash consideration of RM2.65 per share ("Offer Price"). The Proposed Offer is conditional upon Pantai Irama receiving valid acceptances which would result in Pantai Irama and its parties acting in concert holding in aggregate more than 50% of the voting Pantai shares.

Pantai Irama will also make an offer of RM1.53 per warrant for all outstanding warrants in Pantai and RM2.53 per irredeemable convertible unsecured loan stocks ("ICULS") for all outstanding ICULS in Pantai.

Commenting on the transaction, Khazanah's Managing Director Dato' Azman Mokhtar said: "Khazanah has identified the healthcare sector as a strategic sector for us to invest in regionally. This investment in Pantai represents a strong foundation for us in the Malaysian Hospitals segment and significantly complements Khazanah's existing investments in the healthcare and related sectors in Malaysia and the region. We have been in discussions with Parkway for over a year to explore how we could work together. With Parkway as our operating partner in Pantai Irama, we are confident Pantai will further develop into a leading healthcare operator in Malaysia with significant linkages into the region. "

As the above statement provides notice of Pantai Irama's intention to launch a mandatory takeover offer for Pantai shares, Khazanah, as a party acting in concert with Pantai Irama, is bound by the requirements of the Malaysian Code on Take-Overs and Mergers 1998. In order to facilitate any questions that may arise on the transaction at this point, a set of questions and answers is being provided, and this shall be the only information we will be furnishing at this juncture to ensure full compliance with the Code.

Questions and Answers

Transaction rationale

1. Why is Khazanah buying into Pantai?

A: Khazanah has identified the healthcare sector as one of the key new strategic sectors to invest in as part of our broader investment strategy. The proposed Pantai transaction significantly fits into this strategy by being an anchor component in the key sub-sector of hospitals and in our home market of Malaysia. In addition, the proposed transaction will also provide significant linkages into both our other related Malaysian assets such as Pharmaniaga as well as into our regional healthcare investment to date, which is as a significant shareholder in Apollo Hospitals in India. Further, we expect the proposed joint venture with Parkway Holdings, which includes provisions for Parkway as the JV's operating partner will also bring significant technology and knowledge benefits to our healthcare franchise over a period of time.

2. What is the rationale for this transaction? Is it driven by the need to regain control of Pantai by Malaysian interests?

A: This transaction is significant for Khazanah as it represents both a commercial and strategic investment for the country. This is in line with Khazanah's existing investment mandate. We have been in discussions with Parkway for over a year, even before their investment in Pantai, on potential areas of collaboration.

3. Why this structure? Why didn't Khazanah buy-out the Pantai stake from Parkway direct?

A: This structure allows Khazanah a strategic equity holding in the Malaysian healthcare segment with an established hospital operator in Parkway as our partner. With Parkway as our operating partner in Pantai Irama, we are confident that together we will develop Malaysia as regional healthcare centre and Pantai into a leading operator.

4. When did talks with Parkway began on this acquisition?

A: We have been in discussions with Parkway for over a year to explore how we could work together. However no agreement was reached until we finalised and entered into the agreement for this transaction today, 28th August 2006.

5. Was Khazanah offered Pantai shares at the time Parkway made its acquisition in September 2005?

A: As mentioned, Khazanah had identified healthcare as a strategic investment sector and had reviewed, in general, various opportunities including Pantai over the last year or so. However we had never made an offer nor had we been offered a stake in Pantai until the present time.

6. How does this acquisition tie-in with Khazanah's stake in Apollo?

A: This transaction is further realisation of Khazanah's interest in the regional healthcare sector and is in line with our investment in Apollo Hospitals last year. We are pleased that Parkway has had a long working relationship with Apollo in the region and look forward to greater synergies from these relationships.

7. How does this transaction promote and ensure that the national and Bumiputera agenda objectives are maintained? Does this transaction resolve the issues relating to the ownership of the concession assets of Pantai?

A: The Shareholders Agreement provides for majority equity ownership for Khazanah, whilst it is intended that the operational and management responsibility for the hospitals will be governed through a management contract with Parkway that will be entered into at a later date. Both Khazanah and Parkway are committed to comply with all Malaysian regulations and policies in relation to Pantai's concession assets, including in respect of the requirements for Bumiputera ownership and Bumiputera representation. We believe the strategic interests of the nation will be protected in this manner and the commercial interests of Pantai and its investors – including both major and minority investors – will also be served with this partnership. We also believe the proposed partnership with its linkages to leading regional and international players in this field will accelerate the development of private healthcare in Malaysia with the benefits ultimately flowing to the Malaysian public in terms of better services at competitive prices.

8. What will Parkway get from this deal?

A: We understand that Parkway views its partnership with Khazanah as being an ideal approach in tapping the opportunities in the Malaysian healthcare sector, given our shared belief in the strength and growth prospects of the Malaysian and regional healthcare markets.

Ownership and control

9. What is the effective stake in Pantai Holdings that will be held by Pantai Irama immediately after the acquisition of the Parkway stake in Pantai?

A: Pantai Irama will have a direct stake of approximately 35 percent in Pantai upon the acquisition of the Parkway stake in Pantai.

10. What will the structure of ownership and control be at Pantai? Who will have the final say in decision making at the joint venture?

A: Each party will be given certain rights as part of this joint venture agreement. However Khazanah will have a majority equity ownership, whilst operational and management responsibility for the hospitals will be governed through a management contract with Parkway, that will be entered into at a later date and be subject to Pantai shareholder approval.

It is intended that Khazanah, through Pantai Irama, will nominate the Chairman of Pantai whilst the CEO will be jointly nominated by Khazanah and Parkway, through Pantai Irama. Parkway will have a 49 percent stake in the joint venture at the outset. In the event Pantai Irama's equity interest in Pantai exceeds 81.63 percent, Parkway would reduce its stake proportionately in Pantai Irama such that its effective equity interest in Pantai does not exceed 40 percent.

11. What are the terms of the management agreement with Parkway?

A: The management agreement has not been entered into as yet. The management agreement will be an arms-length commercial arrangement and will be subject to the approval of Pantai shareholders.

Valuations and pricing

12. How did Khazanah and Parkway arrive at the transaction price of RM2.65?

A: The price was reached after extensive negotiations with both parties and with both parties engaging its financial advisers. Both parties agree that the price represents a fair valuation of the current position of Pantai and its future prospects.

13. How is Pantai Irama / Khazanah funding this transaction?

A: Pantai Irama will be funding this transaction from its shareholders and external debt financing whereas Khazanah will be funded through internally generated funds.

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About Khazanah Nasional Berhad

Khazanah is the investment holding arm of the Government of Malaysia entrusted to manage the assets held by the Government and to undertake strategic investments. Khazanah was incorporated under the Companies Act 1965 on 3 September 1993 as a public limited company. The share capital of Khazanah is owned by the Minister of Finance, a body corporate incorporated pursuant to the Minister of Finance (Incorporation) Act, 1957.

About Parkway Holdings Limited

Singapore Exchange's Main Board-listed Parkway Holdings Limited is a leading integrated healthcare organization in Asia, with one of the largest network of hospitals and healthcare services in the region. Parkway owns three premier hospitals in Singapore – Mount Elizabeth, Gleneagles and East Shore Hospitals. It also has a networks of hospitals in Malaysia, India and Brunei.

About Pantai Holdings Berhad

Incorporated in 1970, Pantai was listed on Malaysia's Second Board in 1990 and transferred to the Main Board in 1997. It is currently Malaysia's largest private healthcare service provider in terms of market capitalization. Pantai owns and operates 7 hospitals in Malaysia with approximately 1,000 beds.

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