

**Press Statement**

**For Immediate Release**

**Friday 29 July 2005**

**Statement on Khazanah's shareholding in Proton Holdings Berhad**

We refer to a media report this morning purporting that Volkswagen AG are in discussions to purchase a substantial stake of up to 30% in Proton Holdings Berhad ("Proton").

Khazanah Nasional Berhad ("Khazanah") as the controlling 42.7% shareholder in Proton wish to state that it does not have any plans at this point to divest all or part of its existing stake in Proton.

As a controlling and active strategic investor, Khazanah is nonetheless constantly looking at ways to increase shareholder value and enhance our investment returns. Khazanah remains committed to support the Board of Directors and Management of Proton in its current efforts to improve operations and the strategic position of the company, including the ongoing discussions with respect to a proposed alliance with Volkswagen AG

**END**

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