

MEDIA STATEMENT

Pulai, Wilayah Pembangunan Iskandar, 23 February 2007

Update on selected commercial initiatives under the Iskandar Development Region

In conjunction with the inaugural meeting of the Iskandar Regional Development Authority ("IRDA"), Khazanah Nasional Berhad ("Khazanah") is pleased to update selected commercial initiatives in the Iskandar Development Region ("IDR").

Among the work we are pleased to highlight include the following.

1) The agreements to form **South Johor Investment Corporation ("SJIC")**, the super developer for strategic initiatives at the IDR, were signed on 19 December 2006 and is expected to complete in May 2007. Khazanah will hold 60% of the equity in SJIC, while the Employees Provident Fund ("EPF") and Kumpulan Prasarana Rakyat Johor ("KPRJ") will each hold 20% of SJIC on a fully diluted basis. The injection of assets by the three said shareholders will provide SJIC with a land bank in access of 6,592 acres within IDR and cash assets of around RM1.3 billion for investments. SJIC will be undertaking its activities through various special purpose vehicles ("SPV") or project development vehicles ("PDV") and in cooperation with the private sector.

On 14th February 2007, the Prime Minister's announced the appointment of Khazanah Managing Director, Dato' Azman Mokhtar as Chairman of SJIC and Dr. Iskandar Ismail as its Managing Director.

2) On 17 January 2007, SJIC, Danga Bay Holdings Sdn Bhd ("Danga Bay Holdings") and KPRJ signed the agreements that formed an integrated waterfront development company, **Kota Selat Tebrau Sdn Bhd ("KST")** that will develop over 4,500 acres of land. SJIC will own 51.2% of KST whilst Danga Bay Holdings and KPRJ will hold 36.5% and 12.3% respectively. The agreements are expected to complete in May 2007.

3) Khazanah assumed responsibility for a study to evaluate the feasibility of establishing a **Destination Resort**, which will include a theme park development in the IDR. The evaluation process is still undergoing at the moment and any announcement on this matter would be made by Khazanah at the appropriate juncture.

4) In conjunction with the IRDA meeting, two agreements on new investments in the IDR was signed and witnessed by the Prime Minister and Menteri Besar of Johor.

Khazanah and KST entered into a Heads of Agreement with Symphony International Holdings Limited and **Aman Resorts Limited**, to develop an Aman Resort in IDR. The luxury resort will mark Aman Resort's first resort development in Malaysia and is expected to be completed in 2009.

At the same function, Danga Bay Sdn Bhd signed a conditional agreement with budget hotel group, **Tune Hotels Sdn Bhd**, to launch Johor's first Tune Hotel in early 2008.

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