

**FOR IMMEDIATE RELEASE**

**MEDIA STATEMENT**

**Kuala Lumpur, 16 January 2012**

## **Khazanah divests stake in PROTON to DRB-HICOM**

Khazanah Nasional Berhad (“Khazanah”) wishes to announce the divestment of its 42.74% stake in Proton Holdings Berhad (“PROTON”) to DRB-HICOM Berhad (“DRB-HICOM”). This decision was made following due deliberation and detailed evaluation of various proposals to ensure that due process was observed, proper financial value was received and that the new shareholder will be able to bring PROTON to the next level of strategic growth, in line with the aspirations of the industrial development of the national automotive sector.

The divestment is made via a conditional sale with a price consideration of RM5.50 per share or RM1.291 billion, subject to, among others, the approval of the shareholders of DRB-HICOM. Upon completion of the sale and purchase agreement, DRB-HICOM will be obliged to undertake a mandatory general offer on the remaining PROTON shares.

Khazanah Managing Director, Tan Sri Dato’ Azman Haji Mokhtar said: “This is another significant milestone in our strategic divestment programme as it represents the largest in size to date. The divestment is a further example of Public-Private Partnerships, whereby strategic divestments are made with the aim of putting Government-linked companies (“GLCs”) on a stronger and more competitive footing, and at the same time enhancing private sector participation and building the entrepreneurial capacity of Malaysian businesses in key economic sectors.”

Over the last five years, Khazanah has received numerous proposals regarding its stake in Proton. A number of proposals were received by Khazanah in recent weeks. A comprehensive evaluation of proposals received was conducted. It included an assessment based on several key criteria, namely, having the financial ability and resources to undertake the acquisition; resources to invest further in the business; promoting the transformation of the entire Malaysian automotive industry via PROTON and its value chain; and the commitment to maintain the operational integrity of PROTON and its industry ecosystem. This commitment is crucial as PROTON, being a national car manufacturer, has significant influence and impact on the entire value chain of the national automotive sector.

Pursuant to a thorough assessment of its proposal, which offered a defined and executable business strategy, DRB-HICOM has been identified as the appropriate party to acquire Khazanah's interest in PROTON. DRB-Hicom’s proposal also demonstrated the company’s extensive involvement in the automotive sector and its network of strategic partnerships, both local and international. DRB-HICOM’s proposed strategy and business plan provides



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an effective platform to enhance PROTON's sustainability and meet its long-term growth needs. It also submitted an offer price that was acceptable to Khazanah.

**End**

*For further clarification, please contact Mohd Asuki Abas at +603 2034 0000, or via e-mail to [asuki.abas@khazanah.com.my](mailto:asuki.abas@khazanah.com.my).*

### **About Khazanah Nasional Berhad**

Khazanah is the strategic investment fund of the Government of Malaysia entrusted to hold and manage the commercial assets of the Government and to undertake strategic investments. Khazanah is involved in various sectors such as power, telecommunications, banking, automotive manufacture, airport management, infrastructure, property development, broadcasting, semiconductor, steel production, electronics, investment holding, technology and venture capital. Some of the key listed companies in Khazanah's investment portfolio include Telekom Malaysia Berhad, Tenaga Nasional Berhad, CIMB Group, Proton Holdings Berhad, PLUS Expressway Berhad, Malaysia Airlines System Berhad, Malaysia Airport Berhad, UEM Land Holdings Berhad, Axiata Group Berhad and Time dotCom Berhad.

For further information on Khazanah, please visit [www.khazanah.com.my](http://www.khazanah.com.my).