

MEDIA STATEMENT

Kuala Lumpur, 6 November 2006

Erroneous Bernama report dated 5 November 2006 on Khazanah official's comments

Khazanah Nasional Berhad (“Khazanah”) would like to deny a Bernama report on the launch of the Iskandar Development Region (“IDR”) dated 5 November 2006, and subsequently carried by The Sunday Star under the headline “*Chua see massive spin-offs*” which had stated that “*Khazanah Nasional’s Senior Vice President in the Managing Director’s Office Ahmad Shahizam Mohd Shariff called on Johoreans to stop being narrow minded when dealing with Singapore whose Changi Airport and sea ports would eventually be the major gateways for the movement of goods and passengers from the SJER*”

We would like to affirm that no such statement was ever made and that Bernama and The Star have also retracted the story and corrected the error. (An extract of the relevant part of the transcript of the briefing is appended here).

Khazanah would like to reaffirm that we remain fully committed in working together with the Johor State Government, the Federal Government and the people of Johor in translating the Comprehensive Development Plan for IDR into a reality.

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Appendix:

Verbatim excerpts from technical briefing on the Comprehensive Development Plan by Khazanah Nasional held on the 4 November 2006

Yai Ban King, Bernama:what interest me is the three things, one being the free trade [access] zone, second is Port of Singapore and third is Changi..... According to the report these three things are still going to be the main gateway for the SJER.... The question I have in mind is was there any political consideration before deciding on these three.

Ismail Ibrahim, Khazanah:we find that in other parts of the world for example, some planning came to failure because they planned and they developed, unfortunately, in isolation of the other components that is in existence in their surrounding area. And so this is how we looked at it, linkages are very important.

Ahmad Shahizam Mohd Shariff, Khazanah: I think this is very very valid, because again, the holistic nature of it is not just across different areas or sectors but also geographical boundaries. So it is not just Singapore but it is also relationship of South Johor and the rest of Malaysia, with the Klang Valley, Penang and so on, even with Indonesia and beyond. So I think all that, you see, have been looked at, as being how we leverage on the broader perspective, why look at the narrow differences, why not look at the expanded strengths of the region.

The other thing I would like to highlight is that yes it's a realistic assessment of the situation but there is also focus on, if you look, how the physical demarcation of the South Johor region itself is demarcated, you'll see that that the logistical hubs within South Johor are actually the key corner points. It has Port of Tanjung Pelepas on one corner; you've got Senai Airport in the north and on the other side, you have Johor Port.

Again to underscore that it is actually also to ensure that these very successful transportation and logistical hubs continue to drive the economic activity in Johor and also drive the growth within the southern part but at the same time also leveraging from what already a natural extension of what South Johor is all about. And again because of the geographical advantage, you cannot but not, factor all those things into the plan.

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