

MEDIA STATEMENT

Kuala Lumpur, 7 October 2008

Khazanah in pact with local telecommunications entity

Khazanah Nasional Berhad (“Khazanah”) is pleased to announce that it has entered into conditional agreements with Global Transit International Sdn. Bhd. (“GTI”), a local telecommunications entity, to improve the operational performance of its investee company, TIME dotCom Berhad (“TdC”). The conditional agreements will, among others, see GTI’s former chief executive officer (“CEO”), Afzal Abdul Rahim, assuming the position of CEO at TdC that was previously vacant. Additional team members will be nominated to fill other vacant key senior positions, namely chief operating officer and chief financial officer.

The agreements also include Khazanah transferring its 30.04% shareholding in TdC to a special purpose vehicle, Pulau Kapas Ventures Sdn. Bhd. (“PKVSB”), in which Khazanah will have a majority interest of 61.2 %. Meanwhile, GTI will hold the remainder equity interest of 38.8% in PKVSB and will also be injecting its wholly owned subsidiary, Global Transit Communications Sdn. Bhd. (“GTC”) into PKVSB. Upon meeting certain performance targets of TdC and GTC, GTI will be given an earn-out option to increase its stake in PKVSB to become PKVSB’s major shareholder.

GTI is a holding company that is also part of a consortium to build a USD300 million, 10,000-kilometre undersea cable from Japan to the United States, alongside Google, Bharti Airtel of India, KDDI of Japan, Pacnet of Hong Kong and SingTel of Singapore. Moreover, GTC is a major player in the wholesale Internet Protocol (IP) transit market in Malaysia and the region.

Khazanah’s Managing Director, Tan Sri Dato’ Azman Hj. Mokhtar explained that the move was made to ensure the long term operational and financial sustainability of TdC as well as injecting key senior management talents to fill existing gaps in the company. “Khazanah and the board of TdC are in agreement with this arrangement to inject key management and operational talent into TdC.”

On the selection of GTI, he said that Khazanah had formed a selection committee that includes independent professionals from the telecommunications and corporate sectors. The committee had received and assessed proposals from several companies. “The committee believes that GTI is best for the task as they have the entrepreneurial skills and telecommunications experience, as well as sound management to assist TdC in its operational and financial recovery,” said Azman.

He added: “The earn-out option given to GTI will incentivise them to ensure that TdC would perform under their management and eventually giving them majority stake in PKVSB. The successful completion of this exercise could become a developmental model to nurture sustainable local and Bumiputera entrepreneurs in the country.”

The move, said Azman, is also consistent with one of Khazanah’s strategic role to develop capable local and Bumiputera human capital.

The new team led by Afzal will have three months to assess the operations of TdC and formulate a long term turnaround strategy for the approval of TdC's board.

End

For further information, please contact Mohd Asuki Abas at +603 2034 0000 or via e-mail at asuki.abas@khasanah.com.my.

About Khazanah Nasional Berhad

Khazanah is the investment holding arm of the Government of Malaysia entrusted to hold and manage the commercial assets of the Government and to undertake strategic investments. Khazanah was incorporated under the Companies Act 1965 on 3 September 1993 as a public limited company. Khazanah has an eight member board comprising representatives from the public and private sectors. YAB Dato' Seri Abdullah Haji Ahmad Badawi, the Right Honorable Prime Minister of Malaysia is the Chairman of the Board.

Khazanah has stakes in more than 50 companies with assets valued in excess of USD25 billion. Khazanah is also the state agency responsible for strategic cross-border investments. These companies are involved in various sectors such as power, telecommunications, banking, automotive, airport management, infrastructure, property development, broadcasting, semiconductor, steel production, electronics, investment holding, research technology and venture capital.

About Global Transit International Sdn Bhd ("GTI") & Global Transit Communications Sdn Bhd ("GTC")

The GTI group is a network operator managed and controlled by a small group of Bumiputera entrepreneurs and headquartered in Kuala Lumpur. Established in 2004, GTI is also part of a consortium, alongside other global telecommunications giants, to build high-bandwidth subsea fibre-optic cable that runs from Japan to the United States worth some USD300 million.

GTC is a wholly owned subsidiary of GTI and a major Internet Protocol ("IP") transit service provider with a significant market share in the IP wholesale market. It has one of the fastest growing IP Transit networks in the region.