

MEDIA STATEMENT

Kuala Lumpur, 8 August 2014

Khazanah Proposes to De-list Malaysian Airline System Berhad

We are pleased to announce that Khazanah Nasional Berhad (“Khazanah”) has today submitted a formal request to the Board of Directors of Malaysian Airline System Berhad (“MAS”) to undertake a selective capital reduction and repayment exercise (“Proposed SCR”) of MAS’ ordinary shares. The proposal will enable minority ordinary shareholders of MAS to receive a capital repayment amount of RM0.27 per ordinary share. This represents a 12.5% premium to closing price on 7 August 2014 and a 29.2% premium to the 3-month volume weighted average market price (“VWAMP”). Upon successful completion of the Proposed SCR, Khazanah will become the sole ordinary shareholder of MAS, which would lead to a de-listing of MAS.

In June 2014, Khazanah had announced that it was in the midst of undertaking a comprehensive review of MAS, in consultation with the Special Shareholder, the Minister of Finance Incorporated. Khazanah further clarified that subject to the necessary approvals from the relevant authorities, it would announce the proposed restructuring scheme within a period of 6 to 12 months. We reiterate that the proposed restructuring will critically require all parties to work closely together to undertake what will be a complete overhaul of the national carrier on all relevant aspects of, *inter alia*, the airline’s operations, business model, finances, human capital and regulatory environment. Nothing less will be required in order to revive our national airline to be profitable as a commercial entity and to serve its function as a critical national development entity.

In this regard, today’s proposal for de-listing represents the first stage of the restructuring scheme. Further, Khazanah is in the final stages of completing the overall restructuring proposal, and upon due process and approvals from the relevant authorities, regulators and the Special Shareholder, the Minister of Finance Incorporated, we envisage that additional detailed plans will be announced by the end of this month.

End

For further information on Khazanah, please visit www.khazanah.com.my or contact Mohd Raslan Md Sharif at +603 2034 0000, or e-mail at raslan.sharif@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, healthcare, airport management, infrastructure, leisure & tourism, property development, broadcasting, investment holding, and technology. Some of the key listed companies in Khazanah’s investment portfolio include Telekom Malaysia Bhd., Tenaga Nasional Bhd., CIMB Group, Axiata Group Bhd., IHH Healthcare Bhd., Malaysia Airports Holdings Bhd., and UEM Sunrise Bhd.

For further information, please visit www.khazanah.com.my