

**MEDIA STATEMENT**  
**Beijing, 23 October 2008**

**Prime Minister Launches Khazanah's Beijing Representative Office**

Khazanah Nasional Berhad ("Khazanah") is pleased to announce the official opening of its Beijing Representative Office ("BRO") by the Honourable Prime Minister of Malaysia, Dato' Seri Abdullah Hj Ahmad Badawi, here today. BRO, which has been operational since 13 May 2008, is Khazanah's first foreign office and a strategic addition to its network.

The setting up of the BRO is another step in building closer bilateral economic ties between Malaysia and the People's Republic of China ("China"). It also culminates Khazanah's ongoing effort to date to build investment presence in China in order to participate in China's growth potential.

Dato' Seri Abdullah, who is also Khazanah's Chairman of the Board said: "The timely expansion by Khazanah as a Government-Linked Investment Company will help increase Malaysia's presence on the ground to facilitate investment efforts by Khazanah and also serve as a base to support Government-Linked Companies (GLCs) and Malaysian companies' efforts to explore business opportunities in China."

Meanwhile, Khazanah's Managing Director, Tan Sri Dato' Azman Hj Mokhtar said, "Khazanah has been covering China for the past three years and the time is right to set up office to establish ground presence in the country. The opening of BRO reflects Khazanah's commitment to the market and underlies our confidence of the country's growth potential and strategic importance to the region as a whole."

In addition, the Prime Minister hopes that the setting up of BRO will also help spur Chinese companies' interest in exploring investment opportunities in Malaysia as well as promote joint investments in markets where Malaysia has had experience in, such as in the South East Asia, South Asia and the Middle East region. He added that the current financial crisis afflicting the global financial and investments architecture has also emphasized the growing importance of and the need for Asian nations working more intimately together to spur growth in the region.

Apart from making direct investments, Khazanah also strives to be a platform for cross-investments within the region. For example, the recent monetization of Khazanah's 9.9% stake in Parkson via an exchangeable sukuk was successful in creating a "New Silk Road" allowing investors from the Middle East to participate in the retail consumption growth of China, where more than 50% of the Sukuk was subscribed by investors from the Middle East. As the region comes face to face with a global economic slowdown, it is essential that the wealth and large savings pools in Asia is efficiently used to fund growth potentials within the region, thus reducing regional vulnerability to external shocks in the future. The combined issuance of the Sukuk and a placement of shares in August has enabled Khazanah to monetized its first investment in China, made in 2005, by more than 900% of cost by generating funds totaling USD647 million.

Khazanah has also invested into sectors that could be of a strategic interest to the nation as reflected in its recent venture into the sustainable development sector in China. On 8 August 2008, Khazanah formed a joint venture with Beijing China Sciences General Energy & Environment Co. Ltd. (“BCSGEE”) with a commitment of up to USD150 million to build and operate up to ten municipal waste-to-energy (“WTE”) projects in China. The investment would be able to benefit Malaysia by way of technology transfer and expertise acquisition in the field of alternative energy.

The BRO is headed by Khazanah’s Executive Director of Investments, Ben Chan.

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### **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 a nine member board comprising representatives from the public and private sectors. YAB Dato’ Seri Abdullah Haji Ahmad Badawi, the Honourable Prime Minister of Malaysia is the Chairman of the Board.

Khazanah has stakes in more than 50 companies with assets valued at approximately 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.