

MEDIA STATEMENT

Kuala Lumpur, 18 January 2018

Khazanah raises USD320.8 million from issuance of exchangeable Sukuk referenced to CITIC Securities Co Ltd shares

- **Zero yield, zero coupon, five-year tenure with a three-year investor put option, with 40 percent exchange premium**
- **Priced at the tightest end of initial price guidance**
- **Oversubscribed by 5.5 times with a diverse investor base**

Khazanah Nasional Berhad (“Khazanah”) is pleased to announce that it has successfully priced exchangeable Sukuk of USD320.8 million (RM1.27 billion), which will be issued via a Labuan-incorporated independent special purpose vehicle, Cindai Capital Ltd. The exchangeable Sukuk would reference the value of H-shares in CITIC Securities Co Ltd (“CITIC Securities”), China’s largest securities brokerage firm.

The exchangeable Sukuk, with a tenure of 5 years and an investor put option exercisable at the end of year 3, was priced through an accelerated book-building process. Structured with a zero periodic payment and 0.00% yield to maturity, the exchangeable Sukuk achieved the tightest end of the initial guidance at an exchange premium of 40% above the volume weighted average price of CITIC Securities shares on 17 January 2018.

The transaction was fully covered shortly after launch and drew a final demand of 5.5 times book size. 78 investors subscribed to the exchangeable Sukuk and they comprise long only funds, hedge funds, arbitrage funds as well as asset managers across Asia and Europe.

Khazanah Managing Director, Tan Sri Datuk Wira Azman Hj. Mokhtar said: “The strong demand for the exchangeable Sukuk underscores investors’ confidence in Khazanah’s creditworthiness. It was opportune for us to successfully price the deal on the back of positive market sentiments in China and Hong Kong.”

The exchangeable Sukuk is structured based on the principle of Wakalah and provides the Sukuk holder with the option to receive cash or shares upon exchange.

CITIC Securities will be Khazanah’s eighth offering in an exchangeable Sukuk format, since the inaugural issue of Telekom Malaysia Berhad exchangeable Sukuk in 2006. The various issues have all been successfully implemented, winning multiple international awards over the years.

The exchangeable Sukuk will be listed on the Singapore Exchange Securities Trading Limited, Labuan International Financial Exchange Inc and Bursa Malaysia (under the Exempt Regime).

CIMB and J.P. Morgan are the Joint Bookrunners and Joint Lead Managers for this exchangeable Sukuk transaction.

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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 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, financial institutions, healthcare, aviation, infrastructure, leisure & tourism, property, creative & media, education, and innovation & 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 on Khazanah, please visit www.khazanah.com.my.