

MEDIA STATEMENT

Kuala Lumpur, 13 October 2011

Khazanah Issues Inaugural Offshore RMB Denominated Sukuk of RMB500 million (equivalent to RM246 million)

- World's First Offshore RMB Sukuk
- Transaction priced at 2.90% with overwhelming demand despite volatile market conditions.

Khazanah Nasional Berhad ("Khazanah") is pleased to announce the successful issuance of a 3-year benchmark offshore RMB500 million (equivalent to RM246 million) Sukuk via a Malaysian-incorporated special purpose vehicle, Danga Capital Berhad ("Danga"). The issuance was pursuant to Danga's Multi-currency Islamic Securities Programme.

The Sukuk was successfully priced through a book building process on 13 October 2011 and at the tightest end of the price guidance at 2.90%. The transaction drew a demand of 3.6 times book size, enabling Khazanah to upsize the deal from an earlier announced size of RMB300 million to RMB500 million. The deal attracted a diverse group of investors comprising financial institutions, asset management companies, private banks and statutory bodies from Malaysia, Singapore, Hong Kong, the Middle East and Europe.

Issued under the Malaysia International Islamic Financial Centre ("MIFC") initiative, it is a landmark transaction as the world's first Emas Sukuk denominated in RMB. "Emas" or gold sukuk denotes foreign currency denominated bonds and sukuk originating from Malaysia.

The Sukuk demonstrates Khazanah's continued commitment towards the expansion of Islamic finance in line with the Government of Malaysia's agenda to establish Malaysia as an Islamic finance hub. It also attests to Khazanah's continued effort to push the envelope on transaction innovation and the competitive positioning for Islamic structures. The Sukuk will be listed on Bursa Malaysia (Exempt Regime) and Labuan International Financial Exchange (LFX).

Tan Sri Dr. Zeti Akhtar Aziz, Governor of Bank Negara Malaysia and Chairman of MIFC Executive Committee commented: "This is a major step forward for the sukuk market in Malaysia. As a multi-currency sukuk origination centre, Malaysia is now offering the first ever RMB-denominated sukuk in the world."

Tan Sri Zarinah Anwar, Chairman of the Securities Commission of Malaysia said: "This first-ever RMB-denominated sukuk by Khazanah is an historic achievement in the development of the global sukuk market and reaffirms Malaysia's commitment to be a global Islamic capital market hub."



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This groundbreaking transaction further underlines Khazanah's confidence in China's economic growth where it is involved in strategic sectors such as sustainable development, consumer, healthcare and education. This issuance also represents a milestone in increasing capital flows between Malaysia and China, in addition to the existing robust two-way trade flows.

Tan Sri Andrew Sheng, Chief Advisor to China Banking Regulatory Commission ("CBRC") and a board member of Khazanah added: "This pioneering transaction offers a new RMB product which caters for both conventional and Islamic investors. This is an innovative, market driven and major step forward in the development of the offshore RMB market and supports the Chinese government's move to internationalise the RMB."

Khazanah's Managing Director, Tan Sri Dato' Azman Hj. Mokhtar said: "We are very pleased that this issuance has been executed at a very competitive price, setting a benchmark for offshore RMB securities while the order book in excess of RMB1.0 billion underlines the market's confidence in Khazanah's credit. The particular characteristics of a RMB-denominated sukuk with participation from across Asia illustrate the viability of the "New Silk Road" as an investment theme for Khazanah and others."

BOC International, CIMB, and The Royal Bank of Scotland are the Joint Lead Managers for this Sukuk offering with CIMB Islamic as the Shariah Advisor.

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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, automotive manufacture, airport management, infrastructure, property development, broadcasting, semiconductor, steel production, electronics, investment holding, technology and venture capital. Some of the key listed companies in Khazanah's investment portfolio include Telekom Malaysia Berhad, Tenaga Nasional Berhad, CIMB Group, Proton Holdings Berhad, Malaysia Airlines System Berhad, Malaysia Airport Berhad, UEM Land Holdings Berhad, Axiata Group Berhad and Time dotcom Berhad.

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