

OTHERS PROPOSED ISSUANCE OF SUKUK MURABAHAH ("SUKUK MURABAHAH") UNDER THE SHARIAH PRINCIPLE OF MURABAHAH (VIA A TAWARRUQ ARRANGEMENT) OF RM8.980 BILLION IN NOMINAL VALUE

TENAGA NASIONAL BHD

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| Type | Announcement |
| Subject | OTHERS |
| Description | PROPOSED ISSUANCE OF SUKUK MURABAHAH ("SUKUK MURABAHAH") UNDER THE SHARIAH PRINCIPLE OF MURABAHAH (VIA A TAWARRUQ ARRANGEMENT) OF RM8.980 BILLION IN NOMINAL VALUE |

We refer to the announcement dated 28 August 2015 ("Announcement"). Unless otherwise stated, all definitions and terms used herein shall have the same meaning as set out in the Announcement. The Board of Directors of Tenaga Nasional Berhad ("TNB") is pleased to announce that the Sukuk Murabahah has been completed today with the issuance of RM8.980 billion nominal value of Sukuk Murabahah by Jimah East Power Sdn. Bhd. ("JEP" or the "Issuer" or the "Project Company").

UTILISATION OF PROCEEDS FROM THE SUKUK MURABAHAH

The proceeds from the Sukuk Murabahah shall be utilised by the Issuer for the following Shariah-compliant purposes in connection with the financing, design, engineering, procurement, construction, installation, testing, commissioning, ownership, operation and maintenance of a 2,000MW coal-fired power plant and associated facilities, including the transmission line and interconnection facilities, to be located at Kuala Lukut, Mukim Jimah, District of Port Dickson, Negeri Sembilan Darul Khusus, Malaysia including items which are set out below:

- (i) pay for Project Costs;
- (ii) pay and/or reimburse the Sponsors/Shareholders based on documentary evidence for all Project Costs incurred prior to the Sukuk Murabahah issuance as set out in the financial model; and
- (iii) pay financing costs in relation to the Project (including fees and expenses incurred for the issuance of the Sukuk Murabahah).

FINANCIAL EFFECTS OF THE SUKUK MURABAHAH

- (i) Issued and paid-up share capital and substantial shareholders' shareholdings

The Sukuk Murabahah will not have any effect on the issued and paid-up share capital of TNB and/or the substantial shareholders' shareholdings in TNB.

- (ii) Earnings and earnings per share ("EPS"), net assets per share and gearing

The effects of the issuance of the Sukuk Murabahah on the consolidated earnings and consolidated EPS of TNB as well as on TNB's consolidated net assets per share of TNB are not expected to be material.

The issuance of the Sukuk Murabahah will increase TNB's consolidated gearing. For illustrative purposes, based on TNB's audited consolidated balance sheet for the financial year ended 31 August 2015 and the total amount of RM8.980 billion nominal value of the Sukuk Murabahah issuance, TNB's consolidated gearing would increase from 34% to 42%.

CIMB Investment Bank Berhad and HSBC Amanah Malaysia Berhad have been appointed as the Joint Principal Advisers, Joint Lead Arrangers and Joint Lead Managers/Joint Bookrunners while Maybank Investment Bank Berhad also has been appointed as the Joint Lead Manager/Joint Bookrunner for the Sukuk Murabahah.

This announcement is dated 4 December 2015.

Announcement Info

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| Company Name | TENAGA NASIONAL BHD |
| Stock Name | TENAGA |
| Date Announced | 04 Dec 2015 |
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