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# TNB to see its gearing rise from RM4b sukuk

by **Madiha Fuad**

KUALA LUMPUR: Tenaga Nasional Bhd (TNB) will see its gearing increase slightly arising from a proposed sukuk issuance worth RM4 billion.

In a filing with Bursa Malaysia recently, TNB said TNB Western Energy Bhd (TNB WE), a wholly-owned unit of TNB Manjung Five Sdn Bhd (TNB M5), proposed to issue the sukuk in one lump sum with tenures of up to 27 years from the date of issuance. TNB M5 is wholly-owned by TNB.

The issuance of the sukuk will see TNB's consolidated gearing rise from 39.6% to 43.5%.

"Based on TNB's audited consolidated balance sheet for the financial year ended Aug 31, 2013 and assuming that the maximum amount of RM4 billion nominal value of the proposed sukuk of TNB WE is issued, TNB's consolidated gearing would increase from 39.6% to 43.5%," said TNB.

TNB said that the estimate is before taking into consideration

the use of proceeds and expenses relating to the proposed sukuk,

adding that the actual effects will depend on the effective financing cost of such issuance and the specific use of proceeds, both of which cannot be determined at this stage.

BNP Paribas Malaysia Bhd and CIMB Investment Bank Bhd have been appointed as the joint principal advisers, joint lead arrangers and joint bookrunners for the proposed sukuk.