

Dana Infra to issue bonds worth RM8bil for MRT project

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PETALING JAYA: Dana Infra Nasional Bhd would be issuing bonds worth RM8bil in the second half of this year to finance the construction of the My Rapid Transit (MRT) project, less than the RM20bil to RM30bil initially expected, banking sources said.

There is also a likelihood that due to the delay in the bond issuance, the initial bridging loan of RM500mil from a consortium of banks to cover early building work would be raised to a "couple of billion ringgit" so that the MRT project would not suffer any delay, said the source. "The RM8bil bond issuance then would

repay the bridging loan," said the source.

Banking sources also said that Malayan Banking Bhd, CIMB Bank and AmBank were the providers of the bridging loan.

Sources added that a second and larger tranche of bonds would be raised next year, bringing the total raised for the MRT project to between RM20bil and RM30bil. The sources said all the bonds would take the form of ringgit-denominated Islamic bonds or *sukuk*.

Dana Infra is a special unit of the Finance Ministry created to issue bonds to raise the financing for the MRT building cost. Dana Infra is headed by Fazlur Rahman Ebrahim, who is

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the current managing director of Prokhas Sdn Bhd, a unit of MoF that was set up in 2006 to manage the residual assets of Danaharta.

The MRT is a proposed electrified passenger rail line running from Sungai Buloh to Kajang that would consist of high-capacity trains running on a dedicated electrified track.

The line would start from Sungai Buloh, cutting through the Kuala Lumpur city centre to Kajang for a distance of 51km.

It would have a 9.5km underground tunnel between Jalan Semantan and Maluri.

Datuk Azhar Abdul Hamid, the CEO of Mass Rapid Transit Corp Sdn Bhd, the project owner of the MRT, has been reported to have said that the actual cost of the Klang Valley My Rapid Transit would only be known by the fourth quarter of this year.

He said recently that financing details were still being worked out by the MoF and Dana Infra.

"It would not be funded by the Employees Provident Fund. Financing will 100% come from the capital markets ... most probably *sukuk* and bonds. Money for the MRT is there," he had said.