

DanaInfra to finalise MRT project cost by Q1

SG BULOH-KAJANG LINE: MRT Corp to award rest of Phase 1 packages by year-end



DanaInfra principal officer **Fazlur Rahman Ebrahim** (third from left) sealing the deal with Maybank deputy president and head (global wholesale) **Farid Alias** (second from right), witnessed by Second Finance Minister **Datuk Seri Ahmad Husni Hanadzlah** (centre). Looking on are DanaInfra chairman **Datuk Dr Mohd Irwan Serigar Abdullah** (third from right) and top executives of **AmInvestment Bank, CIMB Investment Bank, and RHB Investment Bank**.

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DANAINFRA Nasional Bhd, the government-backed special funding vehicle, will know how much more funds to raise to finance the first phase of the MY Rapid Transit (MRT) project by the end of the first quarter of next year.

It has been estimated that around RM30 billion worth of funds will have to be sourced to finance the Sungai Buloh-Kajang line, the first phase of the MRT project.

Project owner Mass Rapid Transit Corp Sdn Bhd (MRT Corp) has said the final cost of the Sungai Buloh-

Kajang line, will be determined by the end of this year when all the packages are awarded.

MRT Corp has awarded 33 packages worth RM15.5 billion for the Sungai Buloh-Kajang line. It will award the rest of the total 85 packages for the first phase by year-end.

"By the end of the first quarter of next year, we should finalise the total project cost. Then we will know how much is required from us," said Fazlur Rahman Ebrahim, DanaInfra's principal officer.

The estimated financing required by DanaInfra to partly finance the first phase of the MRT project up to June 30 2013 is RM8 billion.

DanaInfra yesterday inked a financing agreement with several

banks on the RM8 billion government guaranteed-sukuk financing programme, witnessed by Second Finance Minister Datuk Seri Ahmad Husni Hanadzlah.

The RM8 billion financing programme is the first tranche to partly finance the project.

Fazlur said the first drawdown is expected to be on July 20 2012, with the issuance of Islamic medium-term notes (IMTN) programme of RM2.4 billion, with targeted tenors of 10, 12 and 15 years.

He said RM1 billion of the amount will be used to pay for bridging loans and the rest for the MRT construction. The second issuance of the IMTN of about RM1.5 billion will be in October this year.

"We hope to have a drawdown every quarterly and exhaust the RM8 billion by June 30 2013. The sukuk will be local-driven but we do expect some foreign investors," Fazlur said.

On how DanaInfra will finance the repayment of the sukuk, Fazlur said it would mainly come from annual budget allocations from the government.

AmInvestment Bank Bhd, CIMB Investment Bank Bhd, Maybank Investment Bank Bhd and RHB Investment Bank Bhd are the joint lead arrangers for the financing programme.

DanaInfra will look at various avenues of fund-raising for the remaining financing requirements of the MRT project.