

Danainfra sells RM2.4bil bonds

Sukuk to be offered in four portions

KUALA LUMPUR: Danainfra Nasional Bhd, a state-owned company, started marketing RM2.4bil of Islamic bonds to yield 20 to 33 basis points over similar-maturity local government bonds, two people familiar with the matter said.

The Kuala Lumpur-based firm, formed to fund development projects, was offering the syariah-compliant securities in four portions with maturities of seven, 10, 12 and 15 years, said the people, who couldn't be named as the information is private.

Proceeds will be used to help

finance construction of a subway in Kuala Lumpur.

Stretching 156km, the subway is Malaysia's biggest infrastructure project.

The first line is estimated to cost RM30bil and scheduled to be operational by July 2017, Danainfra said in a statement on July 3.

The offering was the first phase of an RM8bil government-guaranteed bond programme intended to cover building costs until June 2013, Fazlur Rahman Ebrahim, Danainfra's principal officer, said on July 3.

The planned sukuk, or debt that paid returns to comply with Islam's ban on interest, had attracted interest from more than 150 investors ahead of pricing, including some from overseas, he said.

Fazlur couldn't be immediately reached for comment on the pricing via telephone and e-mail yesterday.

State-owned Mass Rapid Transit Corp, which was overseeing the subway development, had so far awarded RM15.5bil of construction contracts, Danainfra said. — Bloomberg

When completed the MRT system in Kuala Lumpur will have added 90 new stations with 26 underground. — AP

