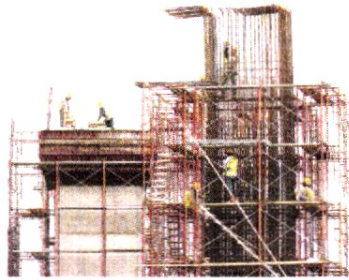


Financing for MRT to be known by Q1

Danainfra Nasional Bhd expects to finalise the total financing required for the Sungai Buloh-Kajang My Rapid Transit (MRT) line by the first quarter of next year. >2



MRT financing deal to be finalised in Q1

Danainfra: Total cost to be known after tender awards



Fazlur (left) shaking hands with Maybank Investment Bank deputy president Abdul Farid Alias at the signing ceremony. With them are (from left) Husni and Danainfra chairman Datuk Mohd Irwan Serigar Abdullah.

Bhd is the *syariah* adviser for the financing programme. Prokhas Sdn Bhd, meanwhile, is the financial adviser to Danainfra.

To date, Danainfra, which was established as a special funding vehicle for the Government to source for funds to finance infrastructure projects, has provided total financing of up to RM1bil for the MRT

project.

"To-date, 33 work packages valued at RM15.5bil have been awarded," said Fazlur, adding that there were 52 remaining packages expected to be awarded by year-end.

According to Fazlur, the tenure of the ICP/IMTN programme will be up to 50 years from the date of the first issue.

The ICPs can be issued for any tenure of up to one, three, six, nine and 12 months as the issuer may select, provided that the maturity date of the ICPs do not extend beyond the tenure of the ICP/IMTN programme.

The IMTNs, meanwhile, will have maturities of more than one year but not exceeding 50 years, provided it does not extend beyond the tenure of the ICP/IMTN programme.

Second Finance Minister Datuk Seri Ahmad Husni Hanadzlah, who witnessed the signing ceremony, said around RM30bil worth of funds might need to be sourced to finance the completion of the SBK line, which was the first line to be constructed under the MRT project.

Based on Danainfra's projections, the MRT project will require additional funding in the fourth quarter of this year, with the second issuance of the IMTN expected to be in October.

Construction of the MRT project commenced in July last year and is scheduled to be fully operational by July 2017.

The first phase of the project, namely the SBK line, would run from Sungai Buloh and cut through the Kuala Lumpur city centre to Kajang, covering a distance of 51km.

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KUALA LUMPUR: Danainfra Nasional Bhd, a wholly-owned subsidiary of Ministry of Finance Inc, expects to finalise the total financing required for the Sungai Buloh – Kajang (SBK) Mass Rapid Transit (MRT) line by the first quarter of next year.

"We expect the total cost of the (MRT) project to be known once all the tender packages have been awarded, which will be by year-end (and) envisage to finalise the financing by the end of the first quarter of next year," said principal officer Fazlur Rahman Ebrahim after the signing of a RM8bil Islamic commercial papers/Islamic medium-term notes (ICP/IMTN) programme agreement by Danainfra.

The facility agreement was signed with AmInvestment Bank Bhd, CIMB Investment Bank Bhd, Maybank Investment Bank Bhd and RHB Investment Bank Bhd. The four banks were appointed by Danainfra to be the joint lead arrangers and joint lead managers for the Government-guaranteed sukuk financing programme.

The financing facility would part finance the MRT project up to June 30, 2013. The maiden issuance by Danainfra would be the IMTN programme of up to RM2.4bil, which is targeted by July 20, with book-building expected to be held during the week beginning July 9.

"Of the RM2.4bil, RM1bil is for bridging loans while the remaining RM1.4bil will be for the MRT project," said Fazlur.

Danainfra also appointed five other banks as the joint lead managers of the financing programme. CIMB Investment Bank is the principal adviser and CIMB Islamic Bank