



SYED AZAHAR SYED OSMAN/THE SUN

Fazlur (third from left) exchanges documents with Maybank Investment Bank Bhd deputy president & head, global wholesale banking Farid Alias during the signing ceremony. Also present are (from left) AmlInvestment Bank Bhd managing director and CEO Kok Tuck Cheong, CIMB Investment Bank Bhd CEO Datuk Charon Wardini Mokhzani, Ahmad Husni, Danainfra Nasional Bhd chairman Datuk Dr Mohd Irwan Serigar Abdullah and RHB Investment Bank Bhd group managing director Kellee Kam Chee Khiong.

## Danainfra issues RM8b sukuk

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**KUALA LUMPUR:** The government is issuing an RM8 billion sukuk financing programme to partly finance the Mass Rapid Transit (MRT) project which is developed and managed by Mass Rapid Transit Corp Sdn Bhd (MRT Corp).

The sukuk will be issued via Danainfra Nasional Bhd, a wholly-owned subsidiary of Minister of Finance Inc. Danainfra is a special funding vehicle for the government to source for funds to finance its infrastructure projects, with the MRT project being the first.

Yesterday, Danainfra signed the agreement for the Islamic commercial papers and medium term notes programme with four banks.

Minister of Finance II Datuk Seri

Ahmad Husni Hanadzlah, who witnessed the signing, said: "It is expected that around RM30 billion worth of funds will have to be sourced to finance the completion of the Sungai Buloh-Kajang line or also known as the SBK Blue Line, which is the first line to be constructed under the MRT project.

"It is hoped that with more good quality sukuk being issued to the market, this may create further depth and drive further activity and liquidity through higher volumes being traded on a day-to-day basis."

The RM8 billion is the first tranche of financing for the SBK Blue Line. The entire MRT project is scheduled to be operational by July 2017 and to date, 33 out of 85 work packages have been awarded.

The maiden issuance will be the Islamic medium term notes of up to

RM2.4 billion which is targeted for July 20, with book-building expected to be held on July 9 or 10. To date, Danainfra has provided total financing of up to RM1 billion for the MRT project.

Danainfra principal officer Fazlur Rahman Ebrahim said of the RM2.4 billion, RM1 billion will be for bridging loans and the rest to finance the project.

He said the subsequent issuance is expected in October, to the value of RM5.6 billion and the total RM8 billion will be fully exhausted by June 30 next year.

All the tender packages are expected to be awarded by year-end and the actual cost of the entire project will be determined in the first quarter of 2013.

Husni said one way to increase investor base is by tapping the retail market and introducing longer-dated bonds.