

Cagamas concludes issuances of RM1.5 billion bonds

KUALA LUMPUR: Cagamas Bhd has announced the successful conclusion of its aggregate issuances of Conventional Medium Term Notes (CMTNs) worth RM1.5 billion.

In a statement, president and chief executive Datuk Chung Chee Leong said the issuances comprise two tranches of two-year CMTNs.

"The RM700 million issuance was concluded via private placement, while the second tranche of RM800 million was conducted via book building exercise, which was upsized to RM800 million from an initial

size of RM500 million," he said.

The exercise brings the company's aggregate issuance for the year to RM5.9 billion, and the proceeds will be used to fund the purchase of housing loans from the financial system.

"The book-building exercise attracted a book size of RM925 million from a diverse group of domestic and offshore investors, which allowed the company to close the final yield at 2.50 per cent from the initial price guidance of 2.55 per cent, registering a 44-basis point spread against the Malaysian Government Securities," said

Chung.

The pricing exercise of these latest issuances was concluded in a relatively muted market after the Hari Raya Aidilfitri holiday break, and received encouraging support from investors, he said.

The papers, which will be redeemed at their full nominal value upon maturity, are unsecured obligations of the company, ranking pari passu with all other existing unsecured obligations of the company.

They will be listed and tradable under the Scripless Securities Trading System. — Bernama