



PORT KLANG FREE ZONE SDN BHD (708970-U)
P.O. Box 261, Jalan Pelabuhan,
42009 Port Klang, Selangor D.E., Malaysia
Jalan FZ 2-P5, Port Klang Free Zone / KS 12,
42920 Pulau Indah, Selangor Darul Ehsan
Tel : +603 3101 5568
Fax : +603 3101 4489
E-mail : info@pkfz.com
Website : www.pkfz.com

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M'sia's Free Zone Capital to sell RM410m bonds

(KUALA LUMPUR) Malaysia's Free Zone Capital Bhd plans to sell RM410 million (S\$176 million) of bonds this month to fund road and electrical work at Port Klang, the country's biggest port.

The fixed-rate bonds will be sold in three portions, maturing in November 2008, November 2009 and November 2010, according to the arranger OSK Securities Bhd, the nation's second-largest stock broking group. The coupons have not yet been fixed, the company said.

'We are marketing the bonds now to determine the pricing and aim to sell them before the end of the month,' said Eddie Fong, head of debt capital markets at OSK Securities in Kuala Lumpur, speaking in a phone interview. 'We certainly expect a good demand because of the strong rating.'

Free Zone Capital is a unit of closely held **Kuala Dimensi Sdn**, the contractor appointed by the Port Klang Authority to develop the port as a transshipment hub to compete with Singapore and the Port of Tanjung Pelepas in the state of Johor.

Kuala Dimensi has raised RM3.36 billion through three previous bond sales since July 2003 to help develop a 405 ha free-trade zone comprising office buildings, warehouses, a hotel and associated infrastructure.

The offering will add to the RM47.6 billion of bonds sold by Malaysian companies this year, according to the Securities Commission.

Malaysian firms issued RM38.2 billion of bonds in 2005, 5 per cent more than in the previous year, according to central bank data. - Bloomberg