

PROSPECTUS



GOVERNMENT OF MALAYSIA

GOVERNMENT INVESTMENT ISSUE

SERIES NO. 2 OF 2006 MATURING ON 14 JULY 2011

Principal Dealers and Islamic Banking institutions are hereby invited to tender for issue of the RM3 billion nominal profit-based scripless Government Investment Issue.

ISSUE OF RM3 BILLION NOMINAL SCRIPLESS

Tender Opening Date	:	7 July 2006
Tender Closing Date	:	13 July 2006
Issue Date	:	14 July 2006
Maturity Date	:	14 July 2011
Stock Short Name	:	GI07/11
Tender Basis	:	Based on yield [to three decimal places]

OFFERING METHOD

Each tender submitted shall be deemed to be an offer to purchase certain assets from the Government of Malaysia and subsequently the Government of Malaysia will purchase those assets at a predetermined price, subject to the terms set out in the Master Agreement to purchase and to sell, entered into between the Government of Malaysia and the participants.

APPLICATION

All tenders must be submitted through Fully Automated System for Tendering (FAST) not later than 11.30 a.m on 13 July 2006.

The application should be submitted through the Principal Dealers and Islamic Banking institutions which are as follows:

Principal Dealers

Commercial Banks

1. Citibank Berhad
2. HSBC Bank Berhad
3. Hong Leong Bank Berhad
4. Maybank Berhad
5. Public Bank Berhad
6. RHB Bank Berhad
7. Standard Chartered Bank (M) Berhad
8. Bumiputra-Commerce Bank Berhad

Merchant Banks

9. AmMerchant Bank Berhad

Discount House

10. KAF Discount Berhad

Islamic Banking Institutions

11. Bank Islam Malaysia Berhad
12. Bank Muamalat Malaysia Berhad
13. Commerce TIJARI Berhad
14. RHB Islamic Berhad
15. Hong Leong Islamic Berhad
16. Kuwait Finance House (M) Berhad
17. Affin Islamic Bank Berhad
18. EONCAP Islamic Bank Berhad
19. Amlslamic Bank Berhad

PAYMENT

Payment for the amounts accepted and allotted must be made in full on the issue date. For this purpose, applicants shall authorise Bank Negara Malaysia to debit their respective current accounts maintained with the Bank for the cost of the investments allocated. Prices, based on the successful yield bids, shall be expressed to three decimal places on allocation.

REDEMPTION

The investments for Series 2 of 2006 will be redeemed at par on 14 July 2011. On the maturity date of the investment, Jabatan Sistem Pembayaran, Bank Negara Malaysia, shall credit the current account of each participating investing institution/depository institution with the principal moneys represented by the investments standing in its own securities account and/or aggregate customers' account.

Profit

Profit is payable half-yearly on 14 January and 14 July and the first such payment will be made on 14 January 2007, calculated from the date of receipt of payments for the allotments at the profit rate which is fixed, based on the weighted average yield of the successful bids of the auction, to three decimal places. Profit on the principal moneys shall cease after the maturity date of this stock.

**INVESTMENT OPERATIONS AND
FINANCIAL MARKET DEPARTMENT
BANK NEGARA MALAYSIA
KUALA LUMPUR**