

List of Entities on Rating Watch for 2nd Quarter 2019 (period covering 01.04.2019 – 30.06.2019)

No	Issuer / Entity	Issue size & Instrument	Last rating action	MARCWatch	Subsequent rating action	Chronology on MARCWatch
1	Quantum Solar Park (Semenanjung) Sdn Bhd	RM1.0 billion Green SRI Sukuk	A+ _{IS}	Negative	<p>MARC has downgraded Quantum Solar Park (Semenanjung) Sdn Bhd (QSP Semenanjung) rating to A+_{IS} from AA-_{IS} and concurrently placed the rating on MARCWATCH Negative on 25 January 2019 due to a heightened risk of termination of solar power purchase agreements (SPPA) related to QSP Semenanjung’s Merchang and Jasin solar power plant projects following the unlikely event of achieving commercial operation date (COD) at these plants by 27 January 2019.</p> <p>QSP Semenanjung’s new revised CODs for Merchang and Jasin plants of 26 March 2019 and 22 March 2019 respectively are beyond the 180-day period from the scheduled COD (31 July 2018) under the SPPAs. Thus, QSP Semenanjung has requested for an extension of time (EOT) from the Suruhanjaya Tenaga (ST).</p> <p>MARC has updated that ST has extended the walkaway event date by 93 days to 30 April 2019. According to the independent consultant engineer’s report as at 29 December 2018, the progress stood at 72.8% for the Merchang plant and 80.8% for the Jasin plant.</p> <p>MARC has extended its MARCWatch Negative on QSP Semenanjung rating</p>	<p>25 January, 2019 - placed on MARCWatch Negative</p> <p>1 March 2019</p> <p>24 April 2019 – Extension of</p>

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					<p>due to the termination risk of the power purchase agreements by Tenaga Nasional Berhad arising from the failure to achieve COD by the extended walkaway event date.</p> <p>MARC notes that the Jasin power plant has achieved initial operation date (IOD) on 15 April 2019 and expected to achieve COD on 29 April 2019. For Merchang plant, IOD is expected to be achieved by 29 April 2019 and the COD by 17 May 2019, which exceeded the extended walkaway event date on 30 April 2019 for completion of both plants granted by the ST.</p> <p>QSP has now requested for a further extension of time from ST up to 30 June 2019 to achieve COD for the power plants. MARC is of the view that the ST would likely take into account the considerable progress that both remaining plants have attained in granting the extension. However, should the ST exercise the walkaway clause or if the sukukholders do not grant a waiver to avert an event of default on the Green SRI Sukuk, the rating would be exposed to a multi-notch downgrade.</p>	MARCWATCH Negative