

List of Entities on Rating Watch for 4th Quarter 2012 (period covering 1.10.2012- 31.12.2012)

No	Issuer/Entity	Issue size & Instrument	Last Rating action	MARCWatch	Subsequent Rating Action	Chronology of MARCWatch
1.	Senai-Desaru Expressway Berhad (SDEB)	RM1.89 billion nominal value Senior Sukuk Ijarah Medium Term Notes (Senior Sukuk) Programme and RM3.69 billion nominal value Junior Sukuk Ijarah Medium Term Notes (Junior Sukuk) Programme	A+is (Senior Sukuk) A-is (Junior Sukuk)	NEG	The MARCWatch Negative reflects weak traffic performance since SDEB commence full operations with the opening of E22's Package 3 in July 2011. Traffic volumes have turned out to be as much as 40% below the traffic forecast and observed trends in traffic volumes suggest an increasing likelihood that E22's traffic performance and SDEB's cash flow generation will remain under pressure for longer than previously anticipated. Consequently, there is increasing uncertainty with respect to SDEB's ability to generate sufficient cash flow to service its debt and potential for a distressed restructuring of the rated sukuk prior to 2014. The rating action also incorporates uncertainty over the resolution of legal risks posed by claims brought against SDEB for construction cost overruns by the expressway's contractor, Ranhill Engineers and Construction Sdn Bhd (REC), which is also a related entity of SDEB's main project sponsor. The financial impact of these claims could be potentially very high and pose a threat to SDEB's ability to continue as a going concern if the claims lead to a court judgement in the favour of REC. MARC expects to resolve the MARCWatch placement upon obtaining greater clarity and certainty on two issues: the progress made with respect to the company's refinancing plans and actions that will be taken to resolve legal risks relating to claims against SDEB.	16.11.2012 - placed on MARCWatch

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2.	Trinity Corporation Berhad	RM134.21 million Settlement Bithaman Ajil Debt Securities (Settlement BaIDS)	B-ID		<p>The MARCWatch Negative was first placed on May 25, 2012 based on the potential cross-default risk on the Settlement BaIDS following the default of Trinity's wholly-owned subsidiary Ample Zone Bhd (Ample Zone) on its RM84.65 million Sukuk Ijarah obligation due on January 27, 2012.</p> <p>On Dec 3, 2012 the rating on Trinity Corporation Berhad's outstanding RM93.9 million Settlement Bithaman Ajil Debt Securities was downgraded to B-ID from B+ID and concurrently removed from MARCWatch. The outlook on the rating is negative. The lowering of the rating reflects continuing uncertainty related to unresolved cross-default issues at the property developer which places the Settlement BaIDS at an increased risk of an acceleration. The negative outlook reflects the risk of further downward movement in the rating in the event that Ample Zone's sukukholders declare an EOD, and Trinity's Settlement BaIDS is subject to acceleration without the liquidity to fund the acceleration.</p>	<p>25.5.2012 - placed on MARCWatch</p> <p>27.8 2012 - extended MARCWatch</p> <p>3.12.2012 – downgraded the rating to B-ID (negative outlook) from B+ID and concurrently removed from MARCWatch</p>