

**List of Entities on Rating Watch for 2<sup>nd</sup> Quarter 2018 (period covering 01.04.2018 – 30.06.2018)**

No	Issuer / Entity	Issue size & Instrument	Last rating action	MARCWatch	Subsequent rating action	Chronology on MARCWatch
1.	Grand Sepadu (NK) Sdn Bhd	RM210.0 million Sukuk Murabahah	AA- <i>IS</i>	Developing	<p>10 toll concessionaires rated by MARC were placed on MARCWatch Developing due to the increased near-term uncertainty pending full clarity on the new government's exact plans to deliver pre-election commitments on the scrapping of toll road charges.</p> <p>MARC notes the rising importance of toll revenue as a funding source for highway construction and maintenance in Malaysia. Furthermore, large-scale greenfield toll road concession projects have been mainly financed with bonds and sukuk.</p> <p>MARC notes that in recent periods, concession tenures were extended to compensate concessionaries for toll revenue losses arising from the abolition of tolls at selected toll collection points and the deferment of scheduled toll hikes.</p> <p>MARC will update its analysis after announcements on the abolition of tolls are made by the government.</p>	<p>May 30, 2018 - placed on MARCWatch Developing</p>
	Cerah Sama Sdn Bhd	RM750.0 million in nominal value IMTN (Sukuk) Programme	AA- <i>IS</i>			
	Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd	RM2.3 billion IMTN Programme (Sukuk Musharakah)	AA- <i>IS</i>			
		RM180.0 million Redeemable Secured Junior Bonds	A-			
	Sistem Penyuraian Trafik KL Barat Sdn Bhd	RM510.0 million BaIDS	A+ <i>ID</i>			
	Anih Berhad	RM2.5 billion Senior Sukuk Musharakah Programme	AA <i>IS</i>			
	Senai-Desaru Expressway Bhd	RM1.89 billion IMTN Programme	BBB- <i>IS</i>			
	Projek Lebuhraya Usahasama Bhd	RM23.35 billion Sukuk Musharakah Programme	AAA <i>IS</i>			

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	MEX II Sdn Bhd	RM1.30 billion Sukuk Murabahah Programme  RM150.0 million Junior Bonds	AA- <i>IS</i>  A-			
	Lebuhraya DUKE Fasa 3 Sdn Bhd	RM3.64 billion in nominal value Sukuk Wakalah	AA- <i>IS</i>			
	Projek Lintasan Sungai Besi – Ulu Klang Sdn Bhd	RM2.0 billion Sukuk Wakalah Programme  RM500.0 million Danajamin-Guaranteed Facilities	A+ <i>IS(S)</i>  AAA <sub>IS(fg)</sub>			
2	Murud Capital Sdn Bhd	Up to RM290.0 million Senior Commercial Papers / Medium-Term Notes Programme	MARC-1/AA	Negative	<p>Murud Capital was placed on MARCWatch Negative on May 28, 2018 due to a heightened risk of weakening in Murud Capital's net operating income following a recently announced government plan to abolish the Land Public Transport Commission (SPAD).</p> <p>Murud Capital's programme is secured by a first legal charge over Platinum Sentral, a commercial building with a net lettable area of 476,370 square feet, in which SPAD currently occupies 13.6% of the total net lettable area and contributes 14.7% of rental revenue per annum.</p> <p>MARC is concerned that Platinum Sentral may find it challenging to find a</p>	May 28, 2018 - placed on MARCWatch Negative

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					<p>replacement tenant given the prevailing oversupply of office space in the KL city centre and the higher current average office rental rate of RM9.09 psf offered by Platinum Sentral.</p> <p>MARC will closely monitor Murud Capital's progress of securing SPAD's replacement, as well as assess occupancy levels and other tenancy renewals. MARC will seek to resolve the MARCWatch placement within the next 90 days.</p>	