

List of Entities on Rating Watch for 3rd Quarter 2018 (period covering 01.07.2018 – 30.09.2018)

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 on May 30, 2018 due to heightened uncertainty in the toll road sector pending clarity on the abolishment of toll road charges.</p> <p>On August 30, 2018, MARC removed the toll concessionaire-related ratings from MARCWatch Developing after the government indicated that any plan to abolish toll road charges have been put on hold.</p> <p>However, the outlook on the ratings have been revised to negative, underlining MARC's concerns that the prevailing uncertainty in the toll road sector could linger as the government considers various options to resolve the tolling issue. Further adding to this uncertainty is the outcome of the looming toll hikes scheduled in 2019/2020, whereby any toll hike deferrals without timely government compensation could impact the cash flows of toll road concessionaires.</p> <p>MARC will continue to monitor developments in the toll road sector, assessing the impact to take appropriate rating actions on the toll road concessionaires.</p>	<p>May 30, 2018 - placed on MARCWatch Developing</p> <p>August 30, 2018 – removed from MARCWatch Developing and outlook revised to Negative</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) RM180.0 million Redeemable Secured Junior Bonds	AA- <i>IS</i> 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 <i>IS(fg)</i>			
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 to reflect the heightened risk of weakening in Murud Capital's net operating income due to the departure of a key tenant, the Land Public Transport Commission (SPAD), from Murud Capital's Platinum Sentral building following the government's announcement on the agency's abolishment.</p> <p>MARC has now removed Murud Capital from MARCWatch Negative and attached a negative outlook to its ratings. This is upon taking into consideration that immediate pressure on its liquidity has abated as SPAD's tenancy has now been</p>	<p>May 28, 2018 - placed on MARCWatch Negative</p> <p>August 27, 2018 – removed from MARCWatch Negative and outlook revised to Negative</p>

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					<p>extended until December 31, 2018 and the REIT Manager, MRCB Quill Management Sdn Bhd is in advance negotiations to secure a new tenant which would occupy a significant portion of the office space vacated by SPAD after the expiry of their tenancy.</p> <p>The outlook revision to negative incorporates the current challenging conditions in the office rental market that are likely to weigh on the REIT manager's ability to achieve the occupancy level and rental rates that the building currently commands.</p> <p>The ratings could face a multi-notch downgrade if Platinum Sentral experiences a sharp decline in occupancy level and/or rental rates that result in a loan-to-value ratio that is not in line with current rating bands.</p>	