

**List of Entities on Rating Watch for 4<sup>th</sup> Quarter 2023 (period covering 01.10.2023 – 31.12.2023)**

No	Issuer / Entity	Issue size & Instrument	Last rating action	MARCWatch	Subsequent rating action	Chronology on MARCWatch
1	ANIH Berhad	RM2.5 billion 18-year Senior Sukuk Musharakah	AA <sub>IS</sub>	Negative	<p>The rating was placed on MARCWatch Negative since May 25, 2023, precipitated by issues that were raised during the sukukholders' meeting held on May 9, 2023, in the wake of the new supplemental concession agreement (SCA) ANIH had entered with the government for its Kuala Lumpur-Karak Highway and Phase 1 of East Coast Expressway.</p> <p>The SCA, apart from extending the concession period from 2032 to 2069, entails lane widening and flood mitigation works, with cost estimated around RM2.3 billion. During the sukukholders' meeting, the investors had requested ANIH to provide a comprehensive financing plan by November 2023, that addresses their concerns as a condition to provide a consent to waive a covenant breach which they contend had occurred when ANIH did not obtain their consent prior to signing the SCA.</p> <p>The rating action reflects the uncertainties that have arisen including the potential for an event of default being called upon and the weakening of the financial service cover ratio that is likely to fall below the covenanted 1.75x in 2024 following the abolishment of toll compensation under the SCA.</p>	May 25, 2023 - placed on MARCWatch Negative

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					<p>On August 24, 2023, MARC Ratings maintained the MARCWatch Negative placement on ANIH. While the process of restructuring the debt is well underway, it is not yet complete. The rating agency, however, notes the positive progress ANIH has made so far in resolving the issues. This includes the finalization of a shareholders' agreement, which will see Tan Sri Dr Azmil Khalili Dato' Khalid as a single shareholder of ANIH, pending approval from the government. With the shareholders' agreement in place and upon obtaining necessary approval, ANIH is expected to move forward with its financing plans that would include securing a bank loan to redeem the sukuk as well as cover the costs for the lane widening and flood mitigation works.</p> <p>ANIH's upcoming sukuk maturity is the RM180 million due on November 29, 2023, for which it has sufficient liquidity to pay. The rating agency will continue to closely monitor the progress of the refinancing plans which are expected to be concluded by year end.</p> <p>MARC Ratings maintained ANIH's outstanding Senior Sukuk Musharakah of RM1.48 billion on MARCWatch Negative. The change in ANIH's shareholding structure is still pending government's approval, which the company now expects to receive by end-February 2024. The rating agency understands that only upon obtaining the approval can ANIH move forward with its refinancing plan, which is anticipated to be completed by end-3Q2024. MARC Ratings will continue to closely monitor progress and provide updates accordingly.</p>	<p>August 24, 2023 - Extension of MARCWatch Negative</p> <p>November 23, 2023 – Extension of MARCWatch Negative .</p>

