

25 January 2022

## Recent Developments

Source: RHBAM, 24 January 2022

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### Sukuk Restructuring Completed with A2 Rating

The redemption of the Sukuk Musharakah ("Existing Sukuk") via an exchange with a new Sukuk Musharakah of RM1.126 billion in nominal value ("New Sukuk") was completed on 21 January 2022. The New Sukuk features the capitalization of accrued and unpaid profit under the Existing Sukuk up until its redemption.

RAM Ratings assigned a final rating of A2 to the New Sukuk, with a stable outlook on 19 January 2022 premised on cash flow generation of the Expressway vis-à-vis Sukuk payment obligations and the more restrictive covenants in place to govern the transaction.

To recap, the proposed restructuring was approved by Sukuk holders with a majority vote of 82.83% at a virtual Extraordinary General Meeting held on 13 October 2021. Salient features of the proposed restructuring include a longer term to maturity to better match cash flows (with final maturity of the New Sukuk now in 2040 instead of 2031 (i.e., 9 years extension), issuance of the New Sukuk at low profit rates that gradually step up over the life of the sukuk for yields to maturity of 4.81% - 6.25% per annum for tenors 3 - 18 years, tighter covenants to enhance governance and the stemming of tax leakages arising from the current structure.

Overall, this is a positive development for MEX I Capital Berhad.

### Latest Traffic Performance

Overall traffic performance on the Expressway in 2021 fell 16.5% year-on-year ("YoY") (2020: -39.0% YoY) due to multiple movement restrictions that had been enforced to combat the resurgence of Covid-19. Average Daily Traffic ("ADT"), however, started showing signs of recovery from September 2021 following the easing of mobility restrictions with ADT in that month rebounding strongly with a 60% month-on-month ("MoM") growth as Kuala Lumpur ("KL"), Selangor and Putrajaya moved further into the National Recovery Plan. Although we do not expect traffic volume to reach pre-pandemic levels in the next 12-18 months, longer-term prospects for the Expressway remains unchanged as it is positioned to capture traffic from existing and upcoming residential and commercial developments in Putrajaya, Cyberjaya and around Seri Kembangan and its strategic alignment of providing the shortest direct link between KL and Putrajaya.

# MEX I CAPITAL BERHAD (FORMERLY KNOWN AS BRIGHT FOCUS BERHAD) UPDATE

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RHBAM wishes to highlight the specific risks and other general risks are elaborated in the Prospectus / Master Prospectus / Information Memorandum.

This update has not been reviewed by the SC.



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