

Headline	MARC affirms 'A A+IS' rating on Kapar Energy's RM2b sukuk		
MediaTitle	New Straits Times		
Date	17 Jul 2019	Language	English
Circulation	36,278	Readership	108,834
Section	Business Times	Page No	17
ArticleSize	119 cm ²	Journalist	N/A
PR Value	RM 6,481		



'STABLE' OUTLOOK

MARC affirms 'AA+IS' rating on Kapar Energy's RM2b sukuk

KUALA LUMPUR: Malaysian Rating Corp Bhd (MARC) has affirmed its "AA+IS" rating on Kapar Energy Ventures Sdn Bhd's RM2 billion sukuk ijarah with a "stable" outlook.

MARC said the power plant operator had continued to face challenges during the review period, with one of its generating facilities exceeding the unplanned outage rates.

Kapar Energy is a 60 per cent-owned subsidiary of Tenaga Nasional Bhd (TNB). It owns and operates the Kapar power station.

"MARC views the generating facilities would remain susceptible to operational and technical

issues, arising from their age and design. Given these issues, Kapar Energy's standalone rating of 'AA-' remains under pressure.

"The affirmed rating benefits from a two-notch support uplift from Kapar Energy's standalone rating to reflect MARC's expectation of a very high probability of parental support from TNB," it said.

MARC said the electricity industry reform could impact TNB and its ability to support its subsidiaries.

"In this regard, if there are changes in TNB's rating or its supporting stance, Kapar Energy's rating could be lowered," it said.