



Media Release

RAM Ratings affirms rating of Glacier Assets' water receivables-backed Senior Notes

RAM Ratings has affirmed the AAA/Stable rating of the RM555 million Senior Notes issued under Glacier Assets Berhad's (Glacier or the Issuer) RM800 million Asset-Backed Medium-Term Notes Facility.

This transaction monetises the outstanding balance of receivables under the Termination and Settlement Agreement (TSA) involving Pengurusan Air Selangor Sdn Bhd (Air Selangor or the Guarantor), Syarikat Pengeluar Air Sungai Selangor Sdn Bhd (SPLASH or the Obligor) and Gamuda Water Sdn Bhd (the Originator). The receivables are amounts owed by SPLASH to Gamuda Water for the supply of treated water, as well as the operations and maintenance of the Sungai Selangor Water Treatment Plant Phase 3 and the Sungai Selangor Dam.

Structured as a special-purpose entity, Glacier relies exclusively on fixed annual instalments payable by SPLASH in accordance with the TSA (Annual Instalments) to service the Senior Notes. Air Selangor – SPLASH's parent company – has undertaken to cover such payments in the event of any missed instalments, including any default interest, when demanded in writing.

The affirmation of the issue rating is anchored by Air Selangor's robust credit profile in its capacity as Guarantor (click [here](#) for more information). As Malaysia's largest water services provider and the sole licence holder for water treatment and distribution in Selangor, Kuala Lumpur and Putrajaya, Air Selangor fulfils a vital public service role for the state. Our assessment indicates strong state government support for Air Selangor in times of financial difficulty, aligning the Guarantor's credit strength closely with the financial resilience of the state of Selangor itself. The state's robust credit standing is reflected in its top-tier classification under RAM's State Implicit Strength Framework.

To date, Glacier has received Annual Instalments on time, with the transaction Settlement Account holding RM13.76 million in cash and a further RM363.39 million in future instalments due as of end-June 2024. These sums comfortably cover all remaining coupon and principal payments on the Senior Notes. Actual transaction expenses reported in the designated accounts as at the same date were closely aligned with earlier projections.

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Funds in the Settlement Account cannot be used to make payments in respect of the Junior Notes until all Senior Notes have been fully redeemed, mitigating any potential cashflow leakage. Additionally, designated accounts have been prefunded with issuance proceeds to ensure timely coverage of transaction expenses and any early redemption premiums during the Senior Notes' tenure.

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