



MARC RATINGS BERHAD

P R E S S A N N O U N C E M E N T

FOR IMMEDIATE RELEASE

MARC RATINGS EXTENDS MARCWATCH NEGATIVE ON YNH'S RATING

MARC Ratings has extended its **MARCWatch Negative** placement on YNH Property Berhad's (YNH) Islamic Medium-Term Notes Programme (Sukuk Wakalah) following a rating downgrade to BBB-_{IS}. The rating was at BBB+_{IS} when it was first placed on negative watch on January 18, 2024.

The rating action reflects MARC Ratings' heightened concerns on YNH's continued weak financial position, the lack of meaningful earnings visibility, and the protracted delays in asset disposals. YNH has an outstanding RM323.0 million under the rated programme, of which the first tranche of RM153.0 million will mature on February 28, 2025. The rating agency notes that YNH is in a technical default as it has failed to deposit the second monthly payment of RM6.1 million due on March 28, 2024, as part of the build-up in the reserve account. The trustee has granted a one-month grace period for YNH to deposit the payment by April 26, 2024.

YNH has appointed a chairman for its audit committee and external auditor, Morison LC PLT, in March 2024. It has entered into a sales and purchase agreement (SPA) with Sunway REIT to purchase its 163 Retail Park mall in Mont Kiara for RM215.0 million following the termination of an SPA with a third party. Other planned disposals, the 5.1-acre parcel in Desa Sri Hartamas and the AEON mall in Manjung, Perak, continued to be delayed, while unbilled sales from limited ongoing projects remain modest relative to its financial obligations.

Total borrowings stood at RM1.2 billion including the outstanding RM323.0 million Sukuk Wakalah while cash and short-term deposits declined to RM19 million as at end-December 2023 (1HFY2024). The rating agency will closely monitor the developments in YNH to resolve the MARCWatch placement, mindful of the group's precarious financial position that could trigger multiple-notch downgrades from its last rating if no timely progress is made to improve its liquidity position.

Contacts:

Fatin Sadiqah Saberam, +603-2717 2934/ fatin@marc.com.my

Farhan Darham, +603-2717 2945/ farhan@marc.com.my

Yazmin Abdul Aziz, +603-2717 2948/ yazmin@marc.com.my

April 8, 2024

[This announcement is available on MARC's corporate website at www.marc.com.my]

---- DISCLAIMER ----

This communication is provided by Malaysian Rating Corporation Berhad and any of its subsidiaries or affiliates ("MARC") based on the information, reasonably believed by MARC to be accurate and reliable to the greatest extent, derived from publicly available sources or provided by the rated entity or its agents. MARC, however, has not independently verified the source of such information and makes no representation as to the accuracy, completeness and timeliness of such

information. Any assignment of a credit rating by MARC shall at all times solely be construed as a statement of opinion and not a statement of fact. A credit rating is not a recommendation to buy, sell or hold any security and/or investment.

© 2024 MARC Ratings Berhad
202001041436 (1397757-W)