RAM
RATINGS

Media Release

RAM Ratings assigns final ratings to Frasers Hospitality Trust-sponsored Notes Series 2019-A

RAM Ratings has assigned final ratings, as listed in the table below, to Notable Vision Sdn Bhd's (NVSB or the Issuer) RM477.48 mil Notes Series 2019-A (the Notes Series 2019-A), issued under its existing RM750 mil MTN Programme (2014/2034) (the Programme). Concurrent with the listing of Frasers Hospitality Trust (FHT) on the Main Board of the Singapore Exchange Securities Trading Limited in July 2014, NVSB was incorporated as a special-purpose funding vehicle to facilitate FHT's acquisition of The Westin Kuala Lumpur (The Westin KL or the Property). FHT is a stapled trust comprising Frasers Hospitality Real Estate Investment Trust (FH-REIT) and Frasers Hospitality Business Trust. The acquisition of the Property had been made by way of the issuance of RM456.5 mil First MTNs (the First MTNs) under the Programme. The main objective of the Notes Series 2019-A – the second issuance under the Programme – is to refinance the First MTNs on their expected maturity date of 12 July 2019. The Class B and Class C Junior MTNs remain subscribed by FHT Malaysia Pte. Ltd. – a wholly-owned subsidiary of FH-REIT – to mirror its ownership of The Westin KL. Concurrently, RAM Ratings has withdrawn the ratings of the First MTNs.

Notes Series 2019-A	Final Ratings/Outlook	Issue Amount (RM million)	Expected Maturity	Legal Maturity
Class A Senior MTNs	AAA/Stable	95.00	12 July 2024	12 January 2026
Class B Junior MTNs	B_2/Stable	95.00	12 July 2024	12 January 2026
Class C Junior MTNs	C_3/Stable	287.48	12 July 2024	12 January 2026
Total		477.48		

After reviewing the transaction documents for the Notes Series 2019-A, RAM Ratings is satisfied that these reflect the intended transaction structure represented during the preliminary rating exercise. The key terms of the Notes Series 2019-A remain the same as that of the First MTNs, except that the coupon liquidity support is funded by a cash reserve, instead of a liquidity facility. Coupon payments on the MTNs will continue to stem from lease obligations, guaranteed by Frasers Property Limited – the sponsor of FHT – under a 20-year lease agreement expiring in May 2036. The bullet principal redemption is envisaged to be funded either via a refinancing exercise by subsequent issuance of MTNs under the Programme, or through the exercise of the Property Call Option granted to FHT, or if this fails, by the disposal of the Property upon the occurrence of a trigger event.

RAM Rating Services Berhad
(763588-T)
Level 8, Mercu 2
KL Eco City
No. 3, Jalan Bangsar
59200 Kuala Lumpur
Malaysia
T +603 3385 2488
F +603 3385 2582
E ramratings@ram.com.my
www.ram.com.my

Analytical contact
Teoh Tze Yit
(603) 3385 2531
tyteoh@ram.com.my

Media contact
Padthma Subbiah
(603) 3385 2577
padthma@ram.com.my

Date of release: 12 July 2019

The credit rating is not a recommendation to purchase, sell or hold a security, inasmuch as it does not comment on the security's market price or its suitability for a particular investor, nor does it involve any audit by RAM Ratings. The credit rating also does not reflect the legality and enforceability of financial obligations.

RAM Ratings receives compensation for its rating services, normally paid by the issuers of such securities or the rated entity, and sometimes third parties participating in marketing the securities, insurers, guarantors, other obligors, underwriters, etc. The receipt of this compensation has no influence on RAM Ratings' credit opinions or other analytical processes. In all instances, RAM Ratings is committed to preserving the objectivity, integrity and independence of its ratings. Rating fees are communicated to clients prior to the issuance of rating opinions. While RAM Ratings reserves the right to disseminate the ratings, it receives no payment for doing so, except for subscriptions to its publications.

Similarly, the disclaimers above also apply to RAM Ratings' credit-related analyses and commentaries, where relevant.

Published by RAM Rating Services Berhad
© Copyright 2019 by RAM Rating Services Berhad