APPENDICES

Appendix 1: Profiling of Sukuk Defaulted Firms in Malaysia from 2002-2014

No.	Issuer Firms and Activities	Type of Industries	Issuance Date	Date of Default	Rating Agency	Initial Rating	Final Rating	Type of Sukuk & Amount (RM mil)
1.	Johor Corporation-Palm oil business, property development and management, and investment.	Industrial products, property development and investment	25 Jan 1999	27 Jun 2002	RAM	BBB3	D	Murabahah Islamic Debt Securities (MIDS) 500 mil
2.	Moccis Trading Sdn Bhd	Industrial products	11 Dec 2000	3 Jun 2002	RAM	BBB3	D	Bai'Bithaman Ajil Islamic DebtSecurities (BaIDS) 50 mil
3.	Hualon Corporation (M) Sdn Bhd-Manufacture of textiles and fibre products	Consumer products, Industrial products	17 Apr 1997	21 Nov 2003	RAM	A2	D	Bai'Bithaman Ajil Islamic DebtSecurities (BaIDS) 150 mil
4.	Perak-Hanjoong Simen Sdn Bhd-Manufacture and sale of cement and clinker	Consumer products, Industrial products	15 Nov 2001	30 Nov 2004	MARC	$AA+_{ID(bg)}$	$D_{ID(bg)}$	Bai'Bithaman Ajil Islamic DebtSecurities (BaIDS)
5.	ABI Malaysia Sdn Bhd-Manufacturing of automotive battery	Consumer products	30 May 2003	04-Aug-2005	MARC	A_{ID}	D_{ID}	Bai'Bithaman Ajil Islamic DebtSecurities (BaIDS)
6.	Europlus Corporation Sdn Bhd-Property development and construction activities	Property development and construction	3 Oct 2000	10-Mar-2006	MARC	A_{ID}MARC-2_{ID}	D_{ID}/D-$_{ID}$	Bai'Bithaman Ajil Islamic DebtSecurities (BaIDS) 250 mil

No.	Issuer Firms and Activities	Type of Industries	Issuance Date	Date of Default	Rating Agency	Initial Rating	Final Rating	Type of Sukuk & Amount (RM mil)
7.	Pesaka Astana (M) Sdn Bhd- Importers, exporters, broker of specialised heavy duty vehicles and assembling related products locally/ manufacturing of specialised heavy duty and the provision of after sales services	Industrial products	1 April 2004	30-Sep-2005	MARC	$A+_{ID}$	D_{ID}	Bai'Bithaman Ajil Islamic DebtSecurities (BaIDS) RM 200 mil
8.	Maxisegar Sdn Bhd- Property development and investment holding	Property development and construction	22 Feb 2001	10-Mar-2006	MARC	A_{ID}	D_{ID}	Bai'Bithaman Ajil Islamic DebtSecurities (BaIDS) 300 mil
9.	Perspektif Perkasa Sdn Bhd- Property development and investment holding	Property development and construction	24 July 2003	10-Mar-2006	MARC	MARC-3_{ID}	D_{-ID}	Murabahah Underwritten NotesIssuance Facility (MUNIF) RM188 mil
10.	Ambang Sentosa Sdn Bhd- Implementation of asset-backed securitisation services involves investment, management and monitoring of a pool of assets to ensure collectibility of the assets	Securitisation services, investment	28 July 2003	28-Jul-2006	MARC	$A+_{ID}$	D_{ID}	Bai'Bithaman Ajil Islamic DebtSecurities (BaIDS) RM986 mil
11.	Peremba Jaya Holdings Sdn Bhd- Property development and investment holding	Property development and construction	14 Jan 2005	16-Apr-2007	MARC	A_{ID}/MARC-2_{ID}	D_{ID}/D_{-ID}	Islamic Medium Term Notes Facility (IMTN)/ Murabahah Underwritte

No.	Issuer Firms and Activities	Type of Industries	Issuance Date	Date of Default	Rating Agency	Initial Rating	Final Rating	Type of Sukuk & Amount (RM mil)
								n Notes
12.	Memory Tech Sdn Bhd- Manufacturing of data storage products such as computer diskettes, video cassette tapes, compact disc recordables (CD-Rs), digital versatile disc recordable (DVD-Rs), plastic computer parts and turnkey project consultancy	Industrial products	28 Oct 2005	07-Jun-2007	RAM	A2	D	Bai'Bithaman Ajil Islamic Debt Securities (BaIDS) RM320 mil
13.	The Royal Mint of Malaysia Sdn Bhd- Business of minting of monetary coins including descriptions of commemorative coins and other related products.	Consumer products	12 Nov 2004	08-Jun-2007	RAM	A2/P2	D	Murabahah Multi-Option Notes Issuance Facility (MONIF) RM55 mil
14.	Paradym Resources Industries Sdn Bhd- Manufacturing of copper rods, copper wire and copper strips for the power and telecommunication industries.	Industrial products	17 July 2004	13-Jun-2007	MARC	A-$_{ID}$MARC-2$_{ID}$	D$_{ID}$/D-$_{ID}$	Murabahah Medium Term Notes Facility (MMTN)/ Murabahah Commercial Paper (MCP)

No.	Issuer Firms and Activities	Type of Industries	Issuance Date	Date of Default	Rating Agency	Initial Rating	Final Rating	Type of Sukuk & Amount (RM mil)
15.	Sistem-Lingkaran Lebuhraya Kajang Sdn Bhd- Under privatisation, Company responsible for the construction the Ring Road involves upgrading and widening of existng roads, designed and contruction of new alignment, and thereafter its operations, including deriving toll revenue and maintenance for 33 years	Construction	23 Aug 2001	23-Aug-2007	MARC	A_{ID}	D_{ID}	Bai'Bitham an Ajil Islamic Debt Securities (BaIDS)
16.	ACE Polymers (M) Sdn Bhd- Manufacturing and trading plastic products	Consumer products	15 Sep 2004	14-Sep-2007	MARC	A_{ID}	D_{ID}	Bai'Bitham an Ajil Islamic DebtSecurities (BaIDS)
17.	Stenta Films (M) Sdn Bhd- Manufacture and sale of flexible packaging materials	Consumer products	19 Sep 2003	20-Sep-2007	MARC	MARC-3_{ID}	D_{-ID}	Murabahah Underwritten NotesIssuance Facility (MUNIF) RM 90 mil
18.	Jana Niaga Sdn Bhd-Developer and facilities management	Property development and facilities management	4 Nov 2004	15-Nov-2007	MARC	MARC-3_{ID}	D_{-ID}	Murabahah Underwritte NotesIssuance Facility (MUNIF) RM100 mil
19.	Intelbest Corporation Sdn Bhd- Investment holding and property development	Property development and Investment holding	28 Feb 2005	29-Feb-2008	MARC	$A+_{ID}$	D_{ID}	Bai'Bitham an Ajil Islamic Debt Securities (BaIDS)
20.	BSA International Bhd-Investment holding	Investment holding	19 Oct 2004	28-May-2008	RAM	A3/P2	D	Murabahah Medium Term Notes Facility

No.	Issuer Firms and Activities	Type of Industries	Issuance Date	Date of Default	Rating Agency	Initial Rating	Final Rating	Type of Sukuk & Amount (RM mil)
								(MMTN) /Murabahah Commercial Paper (MCP) RM150 mil
21.	Evermaster Group Bhd-Investment holding and integrated timber activities which consist of the manufacturing and trading and timber and timber related products	Industrial products	30 Dec 2003	31-Dec-2008	MARC	A_{ID}MARC-2_{ID}	D_{ID}/D-$_{ID}$	Al Bai'Bithaman Ajil Islamic Debt Securities (BaIDS)/Murabahah Multi-Option Notes IssuanceFacility (MONIF) RM 50 & 40 mil
22.	Tracoma Holdings Bhd-Investment holding and the provision of management services	Investment holding and management services	28 Jan 2005	29-Jan-2009	MARC	A_{ID}	D_{ID}	Bai'Bithaman Ajil Islamic DebtSecurities (BaIDS) RM100 mil
23.	Englotech Holding Bhd-Investment holding and providing management services	Investment holding and management services	26 Sep 2005	27-Mar-2009	MARC	A_{ID}	D_{ID}	Murabahah Medium Term Notes Facility (MMTN) RM50 mil
24.	Oxbridge Height Sdn Bhd-Property development	Property development	29 Apr 2005	06-Apr-2009	RAM	A1/P1	D	Islamic Medium Term Notes Facility (IMTN)/ Murabahah Underwritten NotesIssuance Facility (MUNIF) RM104/50

No.	Issuer Firms and Activities	Type of Industries	Issuance Date	Date of Default	Rating Agency	Initial Rating	Final Rating	Type of Sukuk & Amount (RM mil) mil
25.	M-Trex Corporation Sdn Bhd-Investment holding	Investment holding	8 Mar 2005	21-May-2009	MARC	MARC-2$_{ID}$	D$_{-ID}$	Murabahah Medium Term Notes Facility (MMTN)/Murabahah Commercial Paper (MCP) RM60 mil
26.	Ingress Sukuk Bhd- To act as a special purpose vehicle (SPV) for the issuance of RM160 million sukuk	SPV	9 July 2004	13-Jul-2009	MARC	A+$_{ID}$	D$_{IS}$	Sukuk Ijarah RM160 mil
27.	Oilcorp Bhd-Investment holding	Investment holding	7 Oct 2004	07-Oct-2009	MARC	A$_{ID}$/MARC-2$_{ID}$	D$_{ID}$/D-$_{ID}$	Islamic Medium Term Notes Facility (IMTN)/ Murabahah Underwritte Notes Issuance Facility (MUNIF) RM70 mil
28.	Malaysian International Tuna Port Sdn Bhd-Develop, operate and maintain port	Port	17 May 2007	18-Nov-2009	MARC	A+$_{ID}$	D$_{ID}$	Bai'Bithaman Ajil Islamic Debt Securities (BaIDS) RM 240 mil
29.	Straight A's Portfolio Sdn Bhd- A special purpose vehicle (SPV) incorporated for sole purpose of issuing RM200 million nominal value private debts securities on behalf of Oil-Line Engineering &	SPV	13 Apr 2007	11-Dec-2009	MARC	MARC-1$_{ID}$	D$_{-ID}$	Murabahah Underwritte Notes Issuance Facility (MUNIF) RM200 mil

No.	Issuer Firms and Activities	Type of Industries	Issuance Date	Date of Default	Rating Agency	Initial Rating	Final Rating	Type of Sukuk & Amount (RM mil)
	Associates Sdn Bhd (OLEA), the immediate holding computer under a trust relationship							
30.	PSSB Ship Management Sdn Bhd.	Shipping	15 Dec 2004	15-Dec-2009	MARC	AA_{ID}	D_{ID}	Bai'Bithaman Ajil Islamic Debt Securities (BaIDS) RM 40 mil
31.	Malaysian Merchant Marine Bhd- Investment holding and the provision of management services	Investment holding and management services	28 Nov 2003	02-Apr-2010	MARC	AA_{ID}	D_{ID}	Bai'Bithaman Ajil Islamic Debt Securities (BaIDS) RM120 mil
32.	Nam Fatt Corporation Bhd- Investment holding and construction of bridges, heavy concrete foundation, roads, factory complexes and other similar constructions	Investment holding and construction	10 Feb 2006	06-Apr-2010	MARC	$A+_{ID}$/ MARC-1_{ID}	D_{ID}/D_{-ID}	Murabahah Medium Term Notes Facility (MMTN)/ Murabahah Commercial Paper (MCP) RM 250 mil
33.	Vastalux Capital Sdn Bhd- A special purpose (SPV) entity to undertake the financing requirements of its holding company	SPV	23 Dec 2005	23-Dec-2010	MARC	$AA-_{IS}$	D_{IS}	Sukuk Musyarakah
34.	Dawama Sdn Bhd- Engaged in pre-press, design,type-setting, printing, distribution, and marketing	Printing, distribution, and marketing and publications	27 Apr 2009	29-Apr-2011	MARC	$A+_{IS}$	D_{IS}	Sukuk Musyarakah

No.	Issuer Firms and Activities	Type of Industries	Issuance Date	Date of Default	Rating Agency	Initial Rating	Final Rating	Type of Sukuk & Amount (RM mil)
	of textbooks and other publications							
35.	Kinsteel Bhd.		23 Aug 2006	1 Mar 2014	MARC	A_{ID}		MMTN

Source: RAM and MARC database (2012) and Researcher's Compilation and Analysis

Appendix 2: Summary of Selected Literature on Liquidity Risk, Solvency Ratio and Corporate Governance

Author	Dependent Variable	Determinants	Method	Findings
William H. Beaver (1966)	Financial Ratios as Predictors of Failure	Firms in Moody's that had failed during the time period being studied (1954 to 1964, inclusive). The final list of failed firms contained 79 firms on which financial statement data could be obtained for the first year before failure.	Mean Analysis	The data exhibit a remarkable degree of consistency among themselves and with previous studies. Subject to the reservations that must accompany Inferences drawn from this study, the evidence indicates that ratio analysis can be useful in the prediction of failure for at least five years before failure.
Neophyto, Charitou and Charalambous (2000)	Predicting Corporate Failure: Empirical Evidence for the UK	The development and validation of a failure classification model for UK public industrial companies using current techniques: Dataset consists of 51 matched-pairs of failed and nonfailed UK public industrial firms over the period 1988-1997. Prediction models are developed for up to three years prior to the failure event.	Logit Analysis and Neural Network.	Results financial variables, a profitability, an operating cash-flow and a financial leverage variable can yield an overall correct classification accuracy of 83% one year prior to failure. In summary, the models can assist managers, shareholders, financial institutions, auditors and regulatory agents in the UK to forecast financial distress.
Mary Hilston Keener, 2013	Predicting The Financial Failure of	Companies from the retail industry, and data is collected from the COMPUSTAT database	Logistic regressions.	The results provide strong evidence that firms with lower cash to current liability ratios, lower cash

Author	Dependent Variable	Determinants	Method	Findings
	Retail Companies In The United States	for the period from 2005-2012. Based on prior studies, the author hypothesizes that companies are most likely to fail if they are unprofitable, highly leveraged, and having cash flow problems.		flow margins, and higher debt to equity ratios are more likely to file for bankruptcy.
Oseni, 2014	Dispute management in Islamic financial institutions: a case study of near sukuk defaults	Examine the vital importance of dispute management in cases of both near and outright sukuk defaults. The study shows how debt restructuring can play a significant role as a dispute management procedure recognized in Islamic law.	Case studies.	For a more sustainable, stable, and resilient Islamic finance industry, the role of law through dispute management cannot be ruled out, as appropriate dispute management, mechanism facilitates the underlying contracts.
Zeytınoglu and Akarım, 2013	Financial Failure Prediction Using Financial Ratios: An Empirical Application on Istanbul Stock Exchange	Identified 20 key financial ratios classified under liquidity, operation, debt management and profitability of the successful and unsuccessful firms in 2009- 2011. Thus the discriminant function is formed by using these variables. Capital adequacy and net working capital/ total assets ratios are seemed to be significant in all three periods	Discriminant analysis. Altman Z score	According to formed models, classification success are determined as 88,7% 90,4% and 92,2% in 2009, 2010 and 2011 years respectively. These high accuracy ratios indicate that the developed models for three years are efficient to determine the financial failure of the firms traded in Istanbul Stock Exchange.
Neophyto, E.,Andrea, C., & Charalambous, C. (2000).	Predicting Corporate Failure: Empirical Evidence for the UK.	To develop and testing of reliable failure classification models for UK public industrial firms.	Using logit analysis and Neural Networks (NNs)	Results financial variables, a profitability, an operating cash-flow and a financial leverage variable can yield an overall correct classification accuracy of 83% one year prior to failure. In summary, the models can assist managers, shareholders, financial institutions, auditors and regulatory agents in the UK to forecast financial distress.

Author	Dependent Variable	Determinants	Method	Findings
Chhabra, D., & Blecker, R. A. (n.d.).	Financial Crises and Contagion Effects: Stock Markets, Debt Levels, and Exchange Markets In East Asia and Latin America In The 1990s	(a) To test for international contagion effects from the stock and currency markets of Mexico, Thailand, and Hong Kong to the stock and currency markets of selected other countries in Latin America and East Asia, both during the entire period 1990-2000 and during periods of (or following) acute crises such as 1994-95 for Mexico and 1997-98 for Thailand and Hong Kong; and (b) to investigate the role of private debt as an additional factor in causing the spread of financial crises in East Asia and tests for internal contagion effects between domestic stock markets and foreign exchange (currency).	Logistic regression	Thailand's measure of exchange market pressure had significant influence on several emerging market countries in the region. Japan's exchange market pressure was not affected by either Thailand or Hong Kong.
Wang, Z. (2014).	Financial Ratio Selection for Default-Rating Modeling : A Model-Free	To use an innovative statistic procedure to identify informative financial ratio and use those ratios to predict default rating.	The SAVE method, PCA, Default rating modelling comparison	SAVE effective in identifying information ratios. Two factors that are informative in distinguishing default firm and nondefault firm.
Keener, M. H. (2013).	Predicting The Financial Failure Of Retail Companies In The United States, *11*(8), 373–380.	Companies from the retail industry, and data is collected from the COMPUSTAT database for the period from 2005-2012. Based on prior studies, the author hypothesizes that companies are most likely to fail if they are unprofitable, highly leveraged, and having cash flow problems.	Logistic regression	The results provide strong evidence that firms with lower cash to current liability ratios, lower cash flow margins, and higher debt to equity ratios are more likely to file for bankruptcy.
Odipo, M., & A, S. (n.d.).	Evaluation of Applicability of Altman's Revised Model in	To assessed whether Edward Altman‟s financial distress prediction model could be useful in predicting business failure in	Edward Altman's Z – Score Model	This research study reveals that Edward Altman‟s financial distress prediction model is found to be applicable in 8 out of the 10 failed firms that were

Author	Dependent Variable	Determinants	Method	Findings
	Prediction of Fnancial Distress: A Case of Companies Quated in The Nairobi Stock Exchange	Kenya.		analyzed, which indicates a 80% successful prediction of the model. On the 10 non-failed firms analyzed, 9 of them proved that Edward Altman‟s financial distress prediction model was successful, indicating a 90% validity of the model
Elio D'Amato. (n.d.).	The Top 15 Financial Ratios.	To cover 15 ratios that measure a company's liquidity, leverage, profitability and share price value.	Explanation and discussion in 6 chapters.	Understanding these ratios will go a long way to providing us with an idea of how a company is performing in relation to key measures of business success
Allen, F., & Santomer, M. A. (1996).	The Theory of Financial Intermediation	To review the state of intermediation theory and attempt to reconcile it with the observed behavior of institutions in modern capital markets.	A review and discussion	This paper has suggested that theories of intermediation need to reflect and account for the fact that financial systems in many countries have changed substantially over the past thirty years.
Yazdipour, R., & Constand, R. (2010).	Predicting Firm Failure : A Behavioral Finance Perspective, *14*(3), 90–104.	In this article we argue that researchers cannot ignore the human/managerial/decision-making (cause-based) side of the equation for any company, large or small. It is obviously wrong to do so for start-ups, early-stage ventures, and even pre-IPO companies because the majority of such firms rely heavily on individuals (mainly entrepreneurs) for both strategic and operational decisions	Conceptual and discussion paper.	Research from the fields of cognitive psychology and neuroscience has shown that individuals, including entrepreneurs and corporate managers, use mental short cuts like the ones discussed above when the decisions are overly complex.
Taylor, J. B., & Speaker, K. (2008).	The Financial Crisis and the Policy Responses : An Empirical	1. An approach to policy advocated by David Dodge throughout his distinguished career in public service. 2. To use empirical evidence to the	Illustrating the analysis in a series of charts.	Provided empirical evidence that government actions and interventions caused, prolonged, and worsened the financial crisis.

Author	Dependent Variable	Determinants	Method	Findings
	Analysis of What Went Wrong, (November, 1–18	maximum extent possible and explain the analysis in the simplest possible terms		
Econ, E. J. L. (2012).	Corporate Governance and Financial Developmen t : A Study of The French Case	To focus on French corporate governance reforms to examine whether these reforms are consistent with the reorganization of the French financial system, which took place during the period 1977–2004. It aims at evaluating one proposition of the legal origin claims based on the idea that there is a strong and stable relationship between legal origin, investor protection and financial system.	Case study, Ganger test	1. Significant causal links between the legal indicators and the corresponding financial variables. 2. The study of causal links confirms circularity between financial variables and indicators relating to the rules of bondholder Law. In
Levi, M., & Smith, R. G. (2011).	Trends & Issues The Global Financial Crisis, (422).	To examines the evidence on what is likely to happen to the incidence of different types of fraud in the context of the Global Financial Crisis (GFC), whether because of that crisis or because of other factors that coincided with it.	Discussion and explanation	There is no evidence that the GFC has had, or is likely to have, a major impact on increasing the cost of fraud or levels of fraud in Australia or elsewhere.

Author	Dependent Variable	Determinants	Method	Findings
Wu, D., & Hong, H. (2012).	Liquidity Risk , Market Valuation , and Bank Failures.	The present paper bridges the gap between the theoretical literature of liquidity risk and the empirical literature of bank failure prediction. We propose a model that links bank failures to insolvency and liquidity risks.	Test this model using U.S. bank data from 1985 to 2011.	The out-of-sample prediction performances show that our model outperforms typical accounting-ratio-based models, such as a model that is like Moody's RiskCalc™ 3.1 U.S. Bank Model, and a model based on the Texas ratio. We also find that systematic liquidity risk was the major predictor of bank failures in 2008 and 2009, while idiosyncratic liquidity risk played only a minimal role.
Lakshan, A. M. I., & Wijekoon, W. M. H. N. (2013).	The Use of Financial Ratios in Predicting Corporate Failure in Sri Lanka	To develop a model using financial ratios to predict corporate failure of listed companies in Sri Lanka.	Logistic regression	The prediction accuracy of the model consists with financial ratios is 77.86% one year prior to failure. Furthermore, predictive accuracy of the model in all three years prior to failure is above 72%. Hence model is robust in obtaining accurate results for up to three years prior to failure.
Stenbäck, T. (2013).	Corporate Default Prediction with Financial Ratios and Macroeconomic Variables	To show how regressions default prediction ability increases when macroeconomic variables are added into the model of financial ratios.	Logistic regression	A firm default can be an external shock that has nothing to do with the firm's own actions and qualities. Example of this kind of shock is the 2008 financial crisis that hit the whole world. In this paper the impacts of it can also be seen in quickly risen number of defaults and fallen financial ratios.
Zeytinoglu, Emin and Akarim, D. Y. (2013).	Financial Failure Prediction Using Financial Ratios : An Empirical Application on Istanbul Stock	Identified 20 key financial ratios classified under liquidity, operation, debt management and profitability of the successful and unsuccessful firms in 2009- 2011. Thus, the discriminant function is	Discriminant analysis. Altman Z score	According to formed models, classification success is determined as 88,7% 90,4% and 92,2% in 2009, 2010 and 2011 years respectively. These high accuracy ratios indicate that the developed models for three years are efficient to determine the financial

Author	Dependent Variable	Determinants	Method	Findings
	Exchange	formed by using these variables. Capital adequacy and net working capital/ total assets ratios are seemed to be significant in all three periods		failure of the firms traded in Istanbul Stock Exchange.
Hong, H., Huang, J., & Wu, D. (2013).	The Information Content of Basel III Liquidity Risk Measures.	to contribute by providing some early empirical evidence on the new liquidity risk measures proposed in Basel III	Calculate the LCR and the NSFR of U.S. commercial banks.	Results shows that LCR lies between LCR2_P90 and LCR2_P99, and it is closer to LCR2_P90 than to LCR2_P99. Therefore, this figure suggests that the net cash outflow rates in the Basel III LCR standard are close to the 90th percentiles of net cash outflow rates calculated using call report data of U.S. banks.
Oseni, U. A. (2014).	Dispute Management in Islamic Financial Institutions : A Case Study of Near Sukuk Defaults	Examine the vital importance of dispute management in cases of both near and outright sukuk defaults. The study shows how debt restructuring can play a significant role as a dispute management procedure recognized in Islamic law	Case	For a more sustainable, stable, and resilient Islamic finance industry, the role of law through dispute management cannot be ruled out, as appropriate dispute management, mechanism facilitates the underlying contracts.
Cifuentes, A. (2014).	A Cash Flow Based-Approach To Estimate Default Probabilities .	To Have Reliable Methods to Estimate the Probability That A Company Could Default	A simulation technique, Sensitivity analysis.	An efficient technique to tackle the problem at hand is via a Monte Carlo simulation approach
Pátek, J. (2014).	Basel II / III : Liquidity Regulation and Supervision In The Banking Sector Case	To analyze the liquidity and funding positions as well as liquidity and funding risk management of three major banks operating on the Finnish market and to find out whether there are liquidity problems on the	Case study: Liquidity Position of the Major Banks on the Finnish Market	The liquidity and funding positions of the sample companies are stable. However, the companies may face some challenges when the Basel III compliant legislation will enter into force. Due to the representativeness of the

Author	Dependent Variable	Determinants	Method	Findings
	Study : Liquidity Position of The Major Banks On The Finnish Market.	Finnish banking market.		sample, it can be concluded that there are currently no liquidity problems on the Finnish banking market
Securities Commission Malaysia. (2014).	Guidelines On Sukuk.	To be able to explain and provide guidelines on sukuk based on shariah	21 chapters about sukuk explained.	Understanding about sukuk, the principles, concepts and ruling.
Abulgasem, M., Elhaj, A., Aini, N., & Mazna, N. (2015).	The Influence of Corporate Governance, Financial Ratios , and Sukuk Structure on Sukuk Rating	The objective of this study was to provide empirical findings whether corporate governance, financial measures, and sukuk structure have a significant influence on sukuk rating.	Ordered logic model	The findings in this paper suggest that corporate governance, are positively related to sukuk rating. The results document that sukuk ratings are positively related to chairman duality, board size, and board independent. The positively sign is due to boards that are made up exclusively of independent directors are linked to superior performance. The findings in this paper also suggest that sukuk ratings are negatively related to financial leverages and positively related to profitability and issue size.
Agyei-mensah, B. (2015).	The Determinants of Financial Ratio Disclosures and Quality : Evidence	To investigate the influence of firm-specific characteristics which include proportion of Non-Executive Directors, ownership concentration, firm size, profitability, debt equity ratio, liquidity and leverage on the extent and quality of financial ratios disclosed by firms listed on the Ghana Stock Exchange.	Regression	This study provides evidence on the extent and quality of financial ratio disclosures in the annual reports of firms listed on the Ghana Stock Exchange. The multiple regression results indicate that leverage and profitability are significant in predicting the extent of financial ratio disclosures.
Almansour, B. Y. (2015).	Empirical Model for Predicting Financial Failure	To provide empirical model for predicting financial failure	Regression analysis is used to develop a prediction model on 22 bankrupt and non- bankrupt	The results show that working capital to total assets, current asset to current liabilities, market value of equity to book value of debt, retained earnings to total asset, and sales to total asset are

Author	Dependent Variable	Determinants	Method	Findings
			Jordanian public listed companies for the period 2000 until 2003.	significant and good indicators of the probability of bankruptcy in Jordan.
Arundina, T. (2015).	Assest-Based Sukuk rating Prediction:Towards Building Statistical and Data Mining Models.	to test the efficacy and accuracy of sukuk rating model compared to the actual rating assigned by Malaysian rating agencies using statistical and data mining method, namely: Multinomial Logistic Regression, Decision Tree and Neural Network.	Multinomial Logistic Regression, Decision Tree and Neural Network.	Multinomial logistic 91.72, Regression decision tree 96.50 and NN 98.09%
Abd Rahim, S., & Ahmad, N. (2016).	Confidence Effect Among Sukuk Investors Following Sukuk	This research investigates the determinants of investors' confidence for selected Sukuk issuing firms listed in the FTSE Bursa Malaysia Emas Shari'ah Index (FBM EMAS) which was launched on January 22, 2007. This	employs the Equity Market Sentiment Index (EMSI) to classify investors' confidence on FBM EMAS by using data from January 22, 2007 to December 31, 2011	The findings indicate that the daily price trends of the FBM EMAS are significantly related to investor sentiments. In addition, Sukuk investors do not exhibit high risk seeking behavior prior to 2008
Izhar, H., Hadžić, F., & Efendić, V. (n.d.).	Critical Issues and Challenges in Islamic Economics & Finance Dvelopment	A book explains critical issues and challenge in Islamic economics and Finance development.		
Crowther, D., & Jatana, R. (1979).	Agency Theory : A Cause of Failure in Corporate Governance			
Smith, R. T. (n.d.).	Agency Theory and Its Consequences	Determines the connection between these three aspects and agency theory, deriving two potential side effects and consequences.	T test	There is no difference in the perceptions of business majors vs. other majors, but rather that there is a difference in the ability to follow through on their ethical or moral convictions.

Author	Dependent Variable	Determinants	Method	Findings
				Business majors thus appear to be more willing to carry out a given action despite these convictions.
Chandar, N., & Bricker, R. (1998).	On Applying Agency Theory in Historical Accounting Research	To provides an illustration of potential synergies in combining historical and theoretical research in accounting. We focus on the use of agency models of capital markets relationships, which are the cornerstone of contemporary accounting research	Literature review and discussion	The simple principal-agent model that is the basis for much of contemporary accounting research and regulation is not descriptive of markets in which there is a high proportion of institutional investors. A two-tier setting that would represent investment managers as agents of individual investors and principals of corporate managers would provide a more accurate portrayal of property control agency relationships in these market
Kathleen, M. (1989).	Agency Theory : An Assessment And Review	To review agency theory, its contributions to organizations theory and the extend empirical work and develops testable propositions	Literature review and propositions	Agency theory offer unique insight into information systems, outcome uncertainty incentives and risk and is an empirical valid perspective, particularly when couple with complementary perspectives.
W.L. Hill, C., & M. Jones, T. (1992).	Stakeholder-Agency Theory	To prose paradigm that help explain the following 1. Certain aspect of firm certain behaviour, 2. The structure management of stakeholder contrast, 3. The form taken by institutional structure that monitors and enforce contracts between managers and stakeholders, 4. The evolutionary process that shapes both management – stakeholder contracts and the institutional structures that police those contracts.	Literature review and discussion	Stakeholder agency theory can be view as a modification of agency theory to accommodate theories of power including resources dependence theories of organizations.
C. Gentile, M. (1932).	Agency Theory and Corporate Governance		Case study	
Amba, S. M. (n.d.).	Corporate Governance	To examines the impact of corporate governance	Multiple regression	corporate governance variables do influence firms’

Author	Dependent Variable	Determinants	Method	Findings
	and Firms' Financial Performance	variables on firms' financial performance. Influence of corporate governance variables CEO duality, Chairman of Audit Committee, Proportion of Non-executive Directors, Concentrated Ownership structure, Institutional Investors, Gearing Ratio on firms' financial performance "Return on Assets" is researched using the firms traded in Bahrain bourse.		performance. CEO duality, proportion of non-executive directors and leverage has negative influence and board member as chair of audit committee, proportion of institutional ownership has positive influence on firms' financial performance
Kutum, I., & Hussainey, K. (2014).	Are Canadian Banks Ready for Basel III ?	The purpose of this study is to analyze and test the current liquidity coverage ratio of Canadian banks', and draw conclusions about the readiness of Canadian banks to meet Basel III regulations.	liquid assets and liabilities listed on their balance sheets from 2009 to 2013.	most of the large Canadian banks appear to be ready to meet the Basel III requirements that begin in 2015. Even if the banks experience some decline in their liquidity coverage ratios, they should be able to meet the 2015 requirements, as most are already able to meet the 2016 or 2017 requirements; the one exception to this, however, is CIBC, which is indeed a bank that deserves further attention and some concern on the part of investors, customers, and financial regulators about its readiness to meet Basel III liquidity coverage ratio requirements.
Supervision, B. C. on B., & Basel. (2013).	Basel III: The Liquidity Coverage Ratio and Liquidity Risk Monitoring Tools	This document presents one of the Basel Committee's key reforms to develop a more resilient banking sector: The Liquidity Coverage Ratio (LCR). The objective of the LCR is to promote the short-term resilience of the liquidity risk profile of banks.	Part 1 defines the LCR for internationally active banks and deals with application issues. Part 2 monitor tools in banks & supervisors in monitoring of liquidity risks.	Basel III: The Liquidity Coverage Ratio and Liquidity Risk Monitoring Tools
Jones, T. M., Felps, W., & Bigley, G. A. (2007).	Ethical Theory And Stakeholder-Related Decisions :	Conceptual paper review and development of propositions	Literature review	Identified and developed a frame-work that highlights points of convergence self-regarding versus other-regarding in several

Author	Dependent Variable	Determinants	Method	Findings
R.Edward Freeman. (n.d.).	The Role Of Stakeholder Culture General Issues In Business Ethics: Stakeholder Theory of the Modern Corporation	Literature review	Discussion	otherwise diverse approaches to business ethics. Pose several challenges to this assumption from within the framework of managerial capitalism and to suggest the bare bones of an alternative theory the stakeholder theory of modern corporation.

Appendix 3: Rating Symbols and Definitions (MARC and RAM)

MARC's Rating Symbols and Definitions	
Long Term Ratings	**Short-Term Ratings**

MARC's Rating Symbols and Definitions

MARC's Long-Term Ratings are assigned to Islamic capital market instruments with maturities of more than one year. These ratings specifically assess the likelihood of timely payment of the instrument issued under the various Islamic financing contract (s).		MARC's Short-Term Ratings are assigned to Islamic capital market instruments with original maturities of one year or less, and are intended to assess the likelihood of timely payment of the instrument issued under the various Islamic financing contract (s).	
Investment Grade	**Non-investment Grade**	**Investment Grade**	**Non-investment Grade**
AAAID Extremely strong ability to make payment on the instrument issued under the Islamic financing contract(s).	BBID Uncertainties exist that could affect the ability of the issuer to make payment on the instrument issued under the Islamic financing contract(s).	MARC-1ID Extremely strong capacity to make timely payment on the instrument issued under the Islamic financing contract(s).	MARC-4ID Vulnerable to non-payment of instrument issued under the Islamic financing contract(s). Capacity to make payment on the instrument is dependent upon favorable business, financial and economic conditions.
AAID Very strong ability to make payment on the instrument issued under the Islamic financing contract(s). Risk is slight with degree of certainty for timely payment marginally lower than for instruments accorded the highest rating.	BID Significant uncertainty exists as to timely payment on the instrument issued under the Islamic financing contract(s). Slight adverse developments could impair issuer's ability to fulfill such obligation.	MARC-2ID Strong capacity to make timely payment on the instrument issued under the Islamic financing contract(s). Timeliness of payment is slightly susceptible to adverse changes in operating circumstances and economic conditions.	DID Failed to make scheduled payment on the instrument issued under the Islamic financing contract(s).
AID Strong ability to make payment on the instrument issued under the Islamic financing contract(s). However, risks are greater in periods of business and economic stress than for instruments with higher ratings.	CID Possesses a substantial risk of default, with little capacity to address further negative changes in financial circumstances.	MARC-3ID Adequate capacity to make timely payment on the instrument issued under the Islamic financing contract(s). Moderately adverse changes in operating environment and economic conditions may weaken financial capacity to fulfill such obligation.	
BBBID Adequate ability to make payment on the instrument issued under the Islamic financing contract(s). Vulnerable to moderately adverse developments, both internal and external.	DID Failed to make scheduled payment on the instrument issued under the Islamic financing contract(s).		Rating Outlook MARC's Rating Outlook assesses the potential direction of the Islamic Capital Market Instrument Rating over the intermediate term (typically over a one to two-year period). The Rating Outlook may either be: Outlook

AID

MARC's Rating Symbols and Definitions	
Strong ability to make payment on the instrument issued under the Islamic financing contract(s). However, risks are greater in periods of business and economic stress than for instruments with higher ratings.	Strong capacity to make timely payment on the instrument issued under the Islamic financing contract(s). Timeliness of payment is slightly susceptible to adverse changes in operating circumstances and economic conditions.

RAM's Rating Symbols and Definitions

Debt-Based Sukuk		**Partnership-Based Sukuk**	
An Issue Rating for a debt-based sukuk is RAM Ratings' current opinion on the creditworthiness of a particular debt-based sukuk. It reflects the overall capacity and willingness of an issuer to meet the financial obligations on a particular debt-based sukuk on a full and timely basis, taking into account its expressed terms and conditions. RAM Ratings' sukuk ratings are, however, not a measure of compliance with Shariah principles or the role, formation, practices, legitimacy and soundness of the Shariah advisors' recommendations and decisions.		An Issue Rating for a partnership-based sukuk is RAM Ratings' current opinion on the creditworthiness of a particular partnership-based sukuk. It reflects the overall capacity and willingness of an issuer to meet the payment of capital and expected returns on a full and timely basis, taking into account the expressed terms and conditions of the investment contract. RAM Ratings' sukuk ratings are, however, not a measure of compliance with shariah principles or the role, formation, practices, legitimacy and soundness of the shariah advisors' recommendations and decisions. 8th International Conference on Islamic Economics and Finance	
Long-Term Ratings	Short-Term Ratings	Long-Term Ratings	Short-Term Ratings
For long-term ratings, RAM Ratings applies subscripts 1, 2 or 3 in each rating category from AA to C. The subscript 1 indicates that the issue ranks at the higher end of its generic rating category; the subscript 2 indicates a mid-ranking; and the subscript 3 indicates that the issue ranks at the lower end of its generic rating category. In addition, RAM Ratings applies the suffixes (bg) or (s) to ratings which have been enhanced by a		For long-term ratings, RAM Ratings applies subscripts 1, 2 or 3 in each rating category from AA to C. The subscript 1 indicates that the issue ranks at the higher end of its generic rating category; the subscript 2 indicates a mid-ranking; and the subscript 3 indicates that the issue ranks at the lower end of its generic rating category. In addition, RAM Ratings applies the suffixes (bg) or	

RAM's Rating Symbols and Definitions

bank guarantee or other supports, respectively.		(s) to ratings which have been enhanced by a bank guarantee or other supports, respectively.	
AAA	P1	AAA	P1
A sukuk rated AAA has superior safety for payment of financial obligations. This is the highest long-term Issue Rating assigned by RAM Ratings to a debt-based sukuk.	A sukuk rated P1 has high safety for payment of financial obligations in the short term. This is the highest short-term Issue Rating assigned by RAM Ratings to a debt-based sukuk.	A sukuk rated AAA has superior safety for payment of capital and expected returns. This is the highest long-term Issue Rating assigned by RAM Ratings to a partnership-based sukuk.	A sukuk rated P1 has high safety for payment of capital and expected returns in the short term. This is the highest short-term Issue Rating assigned by RAM Ratings a partnership-based sukuk.
AA	P2	AA	P2
A sukuk rated AA has high safety for payment of financial obligations. The issuer is resilient against adverse changes in circumstances, economic conditions and/or operating environments.	A sukuk rated P2 has adequate safety for payment of financial obligations in the short term. The issuer is more susceptible to the effects of deteriorating circumstances than those in the highest-rated category.	A sukuk rated AA has high safety for payment of capital and expected returns. The issuer is resilient against adverse changes in circumstances, economic conditions and/or operating environments.	A sukuk rated P2 has adequate safety for payment of capital and expected returns in the short term. The issuer is more susceptible to the effects of deteriorating circumstances than those in the highest-rated category.
A	P3	A	P3
A sukuk rated A has adequate safety for payment of financial obligations. The issuer is more susceptible to adverse changes in circumstances, economic conditions and/or operating environments than those in higher-rated categories.	A sukuk rated P3 has moderate safety for payment of financial obligations in the short term. The issuer is more likely to be weakened by the effects of deteriorating circumstances than those in higher-rated categories. This is the lowest investment-grade category.	A sukuk rated A has adequate safety for payment of capital and expected returns. The issuer is more susceptible to adverse changes in circumstances, economic conditions and/or operating environments than those in higher-rated categories.	A sukuk rated P3 has moderate safety for payment of capital and expected returns in the short term. The issuer is more likely to be weakened by the effects of deteriorating circumstances than those in higher-rated categories. This is the lowest investment-grade category.
BBB	NP	BBB	NP
A sukuk rated BBB has moderate safety for payment of	A sukuk rated NP has doubtful safety for payment of financial	A sukuk rated BBB has moderate safety for payment of capital	A sukuk rated NP has doubtful safety for payment of capital and

RAM’s Rating Symbols and Definitions

financial obligations. The issuer is more likely to be weakened by adverse changes in circumstances, economic conditions and/or operating environments than those in higher-rated categories. This is the lowest investment-grade category.	obligations in the short term. The issuer faces major uncertainties that could compromise its capacity for payment of a particular sukuk.	and expected returns. The issuer is more likely to be weakened by adverse changes in circumstances, economic conditions and/or operating environments than those in higher-rated categories. This is the lowest investment-grade category.	expected returns in the short term. The issuer faces major uncertainties that could compromise its capacity for fulfilling the terms of the investment contract.
BB	D	BB	D
A sukuk rated BB has low safety for payment of financial obligations. The issuer is highly vulnerable to adverse changes in circumstances, economic conditions and/or operating environments.	A sukuk rated D is either currently in default or faces imminent default on its financial obligations, whether or not formally declared. The D rating may also reflect a distressed exchange, the filing of bankruptcy and/or other actions pertaining to the issuer that could jeopardise the payment of a particular sukuk.	A sukuk rated BB has low safety for payment of capital and expected returns. The issuer is highly vulnerable to adverse changes in circumstances, economic conditions and/or operating environments.	A sukuk rated D is either currently not meeting or will not meet the payment of capital and expected returns. The D rating may also reflect a distressed exchange, the filing of bankruptcy and/or other actions pertaining to the issuer that could jeopardize the fulfillment of the investment contract's terms.
B		B	
A sukuk rated B has very low safety for payment of financial obligations. The issuer has a limited ability to withstand adverse changes in circumstances, economic conditions and/or operating environments.		A sukuk rated B has very low safety for payment of capital and expected returns. The issuer has a limited ability to withstand adverse changes in circumstances, economic conditions and/or operating environments.	
C		C	
A sukuk rated C has a high likelihood of default. The issuer is highly dependent on favourable changes in circumstances, economic conditions and/or operating		A sukuk rated C has a high likelihood of not meeting the payment of capital and expected returns. The issuer is highly dependent on favourable changes in	

RAM’s Rating Symbols and Definitions	
environments, the lack of which would likely result in it defaulting on a particular sukuk.	circumstances, economic conditions and/or operating environments, the lack of which would likely result in it not fulfilling the terms of the investment contract.
D	D
A sukuk rated D is either currently in default or faces imminent default on its financial obligations, whether or not formally declared. The D rating may also reflect a distressed exchange, the filing of bankruptcy and/or other actions pertaining to the issuer that could jeopardize the payment of a particular sukuk.	A sukuk rated D is either currently not meeting or will not meet the payment of capital and expected returns. The D rating may also reflect a distressed exchange, the filing of bankruptcy and/or other actions pertaining to the issuer that could jeopardize the fulfillment of the investment contract's terms.
Center for Islamic Economics and Finance, Qatar Faculty of Islamic Studies, Qatar Foundation	Center for Islamic Economics and Finance, Qatar Faculty of Islamic Studies, Qatar Foundation

Appendix 4: Rating Agencies and *Sukuk* Defaulted Firms in Malaysia

Name of Firms and Activities	Year of Default	Rating Agency
Johor Corporation-Palm oil business, property development and management, and investment	2002	RAM
Moccis Trading Sdn Bhd	2003	RAM
Hualon Corporation (M) Sdn Bhd-Manufacture of textiles and fibre products	2003	RAM
Perak-Hanjoong Simen Sdn Bhd-Manufacture and sale of cement and clinker	2004	MARC
ABI Malaysia Sdn Bhd-Manufacturing of automotive battery	2005	MARC
Pesaka Astana (M) Sdn Bhd-Importers, exporters, broker of specialised heavy duty vehicles and assembling related products locally/ manufacturing of specialised heavy duty and the provision of after sales services	2005	MARC
Europlus Corporation Sdn Bhd-Property development and construction activities	2006	MARC
Maxisegar Sdn Bhd- Property development and investment holding	2006	MARC
Perspektif Perkasa Sdn Bhd- Property development and investment holding	2006	MARC
Ambang Sentosa Sdn Bhd- Implementation of asset-backed securitisation services involves investment, management and monitoring of a pool of assets to ensure collectibility of the assets	2006	MARC
Peremba Jaya Holdings Sdn Bhd- Property development and investment holding	2007	MARC
Memory Tech Sdn Bhd- Manufacturing of data storage products such as computer diskettes, video cassette tapes, compact disc recordables (CD-Rs), digital versatile disc recordable (DVD-Rs), plastic computer parts and turnkey project consultancy	2007	RAM
The Royal Mint of Malaysia Sdn Bhd-Business of minting of monetary coins including descriptions of commemorative coins and other related products.	2007	RAM
Paradym Resources Industries Sdn Bhd-Manufacturing of copper rods, copper wire and copper strips for the power and telecommunication industries.	2007	MARC
Sistem-Lingkaran Lebuhraya Kajang Sdn Bhd- Under privatisation, Company responsible for the construction the Ring Road involves upgrading and widening of existng roads, designed and contruction of new alignment, and thereafter its operations, including deriving toll revenue and maintenance for 33 years	2007	MARC
ACE Polymers (M) Sdn Bhd-Manufacturing and trading plastic products	2007	MARC
Stenta Films (M) Sdn Bhd-Manufacture and sale of flexible packaging materials	2007	MARC
Jana Niaga Sdn Bhd-Developer and facilities management	2007	MARC

Name of Firms and Activities	Year of Default	Rating Agency
Intelbest Corporation Sdn Bhd-Investment holding and property development	2008	MARC
BSA International Bhd-Investment holding	2008	RAM
Evermaster Group Bhd- Investment holding and integrated timber activities which consist of the manufacturing and trading and timber and timber related products	2008	MARC
Tracoma Holdings Bhd-Investment holding and the provision of management services	2009	MARC
Englotech Holding Bhd-Investment holding and providing management services	2009	MARC
Oxbridge Height Sdn Bhd-Property development	2009	RAM
M-Trex Corporation Sdn Bhd-Investment holding	2009	MARC
Ingress Sukuk Bhd- To act as a special purpose vehicle (SPV) for the issuance of RM160 million sukuk	2009	MARC
Oilcorp Bhd-Investment holding	2009	MARC
Malaysian International Tuna Port Sdn Bhd-Develop, operate and maintain port	2009	MARC
Straight A's Portfolio Sdn Bhd- A special purpose vehicle (SPV) incorporated for sole purpose of issuing RM200 million nominal value private debts securities on behalf of Oil-Line Engineering & Associates Sdn Bhd (OLEA), the immediate holding computer under a trust relationship	2009	MARC
PSSB Ship Management Sdn Bhd-	2009	MARC
Malaysian Merchant Marine Bhd- Investment holding and the provision of ship management services	2010	MARC
Nam Fatt Corporation Bhd- Investment holding and construction of bridges, heavy concrete foundation, roads, factory complexes and other similar construction activities	2010	MARC
Vastalux Capital Sdn Bhd- A special purpose (SPV) entity to undertake the financing requirements of its holding company	2010	MARC
Dawama Sdn Bhd- Engaged in pre-press, design,type-setting, printing, distribution, and marketing of textbooks and other publications	2011	MARC

Source: RAM and MARC

Appendix 5: Type of *Sukuk* Defaulted Firms and Amount from 2006-2011

N0	Issuer Firms and Activities	Issuance Date	Date of Default	Type of Sukuk and Amount (RM mil)
1.	Europlus Corporation Sdn Bhd-Property development and construction activities	3 Oct 2000	10-Mar-2006	Bai'Bithaman Ajil Islamic DebtSecurities (BaIDS) 250 mil
2.	Maxisegar Sdn Bhd-Property development and investment holding	22 Feb 2001	10-Mar-2006	Bai'Bithaman Ajil Islamic DebtSecurities (BaIDS) 300 mil
3.	Perspektif Perkasa Sdn Bhd-Property development and investment holding	24 July 2003	10-Mar-2006	Murabahah Underwritten NotesIssuance Facility (MUNIF) RM188 mil
4.	Ambang Sentosa Sdn Bhd-Implementation of asset-backed securitisation services involves investment, management and monitoring of a pool of assets to ensure collectibility of the assets	28 July 2003	28-Jul-2006	Bai'Bithaman Ajil Islamic DebtSecurities (BaIDS) RM986 mil
5.	Peremba Jaya Holdings Sdn Bhd- Property development and investment holding	14 Jan 2005	16-Apr-2007	Islamic Medium Term Notes Facility (IMTN)/ Murabahah Underwritten Notes
6.	Memory Tech Sdn Bhd-Manufacturing of data storage products such as computer diskettes, video cassette tapes, compact disc recordables (CD-Rs), digital versatile disc recordable (DVD-Rs), plastic computer parts and turnkey project consultancy	28 Oct 2005	07-Jun-2007	Bai'Bithaman Ajil Islamic DebtSecurities (BaIDS) RM320 mil
7.	The Royal Mint of Malaysia Sdn Bhd-Business of minting of monetary coins including descriptions of commemorative coins and other related products.	12 Nov 2004	08-Jun-2007	Murabahah Multi-Option Notes Issuance Facility (MONIF) RM55 mil
8.	Paradym Resources Industries Sdn Bhd-Manufacturing of copper rods, copper wire and copper strips for the power and telecommunication industries.	17 July 2004	13-Jun-2007	Murabahah Medium Term Notes Facility (MMTN)/Murabahah Commercial Paper (MCP)
9.	Sistem-Lingkaran Lebuhraya Kajang Under privatisation, Company responsible in construction	23 Aug 2001	23-Aug-2007	Bai'Bithaman Ajil Islamic DebtSecurities (BaIDS)

N0	Issuer Firms and Activities	Issuance Date	Date of Default	Type of Sukuk and Amount (RM mil)
	the Ring Road involves upgrading & widening of existing roads, designed and construction of new alignment, and thereafter its operations, including deriving toll revenue and maintenance for 33 years			
10.	ACE Polymers (M) Sdn Bhd-Manufacturing and trading plastic products	15 Sep 2004	14-Sep-2007	Bai'Bithaman Ajil Islamic DebtSecurities (BaIDS)
11.	Stenta Films (M) Sdn Bhd-Manufacture and sale of flexible packaging materials	19 Sep 2003	20-Sep-2007	Murabahah Underwritten NotesIssuance Facility (MUNIF) RM 90 mil
12.	Jana Niaga Sdn Bhd-Developer and facilities management	4 Nov 2004	15-Nov-2007	Murabahah Underwritten NotesIssuance Facility (MUNIF) RM100 mil
13.	Intelbest Corporation Sdn Bhd-Investment holding and property development	28 Feb 2005	29-Feb-2008	Bai'Bithaman Ajil Islamic DebtSecurities (BaIDS)
14.	BSA International Bhd-Investment holding	19 Oct 2004	28-May-2008	Murabahah Medium Term Notes Facility (MMTN) /Murabahah Commercial Paper (MCP) RM150 mil
15.	Evermaster Group Bhd-Investment holding and integrated timber activities such as manufacturing and trading, timber and timber related products	30 Dec 2003	31-Dec-2008	AlBai'Bithaman Ajil Islamic DebtSecurities (BaIDS)/Murabahah Multi-Option Notes IssuanceFacility (MONIF) RM 50 & 40 mil
16.	Tracoma Holdings Bhd-Investment holding and the provision of management services	28 Jan 2005	29-Jan-2009	Bai'Bithaman Ajil Islamic DebtSecurities (BaIDS) RM100 mil
17.	Englotech Holding Bhd-Investment holding and providing management services	26 Sep 2005	27-Mar-2009	Murabahah Medium Term Notes Facility (MMTN) RM50 mil
18.	Oxbridge Height Sdn Bhd-Property development	29 Apr 2005	06-Apr-2009	Islamic Medium Term Notes Facility (IMTN)/ Murabahah Underwritten NotesIssuance Facility (MUNIF) RM104/50 mil
19.	M-Trex Corporation Sdn Bhd-Investment holding	8 Mar 2005	21-May-2009	Murabahah Medium Term Notes Facility (MMTN)/Murabahah Commercial Paper (MCP) RM60 mil
20.	Ingress Sukuk Bhd- To act as a special purpose vehicle (SPV) for the issuance of RM160 million sukuk	9 July 2004	13-Jul-2009	Sukuk Ijarah RM160 mil
21.	Oilcorp Bhd-Investment holding	7 Oct 2004	07-Oct-2009	Islamic Medium Term Notes Facility (IMTN)/ Murabahah Underwritten NotesIssuance Facility (MUNIF) RM70 mil

N0	Issuer Firms and Activities	Issuance Date	Date of Default	Type of Sukuk and Amount (RM mil)
22.	Malaysian International Tuna Port Sdn Bhd-Develop, operate and maintain port	17 May 2007	18-Nov-2009	Bai'Bithaman Ajil Islamic DebtSecurities (BaIDS) RM 240 mil
23.	Straight A's Portfolio Sdn Bhd- A special purpose vehicle (SPV) incorporated for sole purpose of issuing RM200 million nominal value private debts securities on behalf of Oil-Line Engineering & Associates Sdn Bhd (OLEA), the immediate holding computer under a trust relationship	13 Apr 2007	11-Dec-2009	Murabahah Underwritten NotesIssuance Facility (MUNIF) RM200 mil
24.	PSSB Ship Management Sdn Bhd.	15 Dec 2004	15-Dec-2009	Bai'Bithaman Ajil Islamic DebtSecurities (BaIDS) RM 40 mil
25.	Malaysian Merchant Marine Bhd- Investment holding and the provision of management services	28 Nov 2003	02-Apr-2010	Bai'Bithaman Ajil Islamic DebtSecurities (BaIDS) RM120 mil
26.	Nam Fatt Corporation Bhd- Investment holding and construction of bridges, heavy concrete foundation, roads, factory complexes and other similar construction	10 Feb 2006	06-Apr-2010	Murabahah Medium Term Notes Facility (MMTN)/Murabahah Commercial Paper (MCP) RM 250 mil
27.	Vastalux Capital Sdn Bhd- A special purpose (SPV) entity to undertake the financing requirements of its holding company	23 Dec 2005	23-Dec-2010	Sukuk Musyarakah
28.	Tomei- Consumer product	12 Nov 2004	08-Jun-2007	Murabahah Multi-Option Notes Issuance Facility (MONIF) RM55 mil
29.	UMW- Consumer product	17 Apr 1997	21 Nov 2003	Bai'Bithaman Ajil Islamic DebtSecurities (BaIDS) 150 mil
30.	Dawama Sdn Bhd- Engaged in pre-press, design,type-setting, printing, distribution, and marketing of textbooks and other publications	27 Apr 2009	29-Apr-2011	Sukuk Musyarakah

Source: RAM and MARC database (2012) and Researcher's Analysis

Appendix 6: Summary Table Similarities of Firm Associated with Default

No.	Firm	Type of Industry	Status Firm New/Established	BOD Experienced/ Non-experienced	Conflict of Interest
1.	Perspektif	Property	Established	Experienced	No
2.	Maxisegar	Property	Established	Experienced	No
3.	Europlus	Property	Established	Experienced	No
4.	Century Logistic	Property	Established	Experienced	No
5.	Ambang	Securitisation	Established	Experienced	No
6.	J_Niaga	Property	Established	Experienced	No
7.	Stenta	Consumer product	Established	Experienced	No
8.	Royal_M	Consumer product	Established	Experienced	No
9.	Peremba	Property	Established	Experienced	No
10.	Paradym	Industrial	Established	Experienced	No
11.	Memory_T	Industrial	Established	Experienced	No
12.	Lingkaran	Construction	Established	Experienced	No
13.	ACE Polymers	Consumer product	Established	Experienced	No
14.	Evermaster	Industrial	Established	Experienced	No
15.	BSA	Investment	Established	Experienced	No
16.	Intelbest	Property	Established	Experienced	No
17.	Straight A's	SPV	Established	Experienced	No
18.	MITP	Port	Established	Experienced	No
19.	Oilcorp	Investment	Established	Experienced	No
20.	Ingress	SPV	Established	Experienced	No
21.	Englotech	Investment	Established	Experienced	No
22.	Tracoma	Industrial	Established	Experienced	No
23.	Straight	SPV	Established	Experienced	No
24.	PSSB	Shipping	Established	Experienced	No

25.	Oxbridge	Property	Established	Experienced	No
26.	Oilcorp	Investment	Established	Experienced	No
27.	M-Trex	Investment	Established	Experienced	No
28.	Vastalux	SPV	Established	Experienced	No
29.	Nam Fatt	Investment	Established	Experienced	No
30.	Dawama	Printing, Publication	Established	Experienced	No