



PROJECT GRADING GRADING SCALE & DEFINITIONS

Project grading reflects forward-looking opinion on execution prospects of a real estate project as per plan and ability to transfer as per terms

SCALE	DEFINITION
PG1	Very strong project. Highest prospects of successful implementation of real estate project and transfer as per terms. The project risk factors are very low.
PG2+ PG2	Strong project. High prospects of successful implementation of the real estate project and transfer as per terms. The project risk factors are low.
PG3+ PG3	Good project. Good prospects of successful implementation of the real estate project and transfer as per terms. The project risk factors are moderate.
PG4+ PG4	Adequate project. Adequate prospects of successful implementation of the real estate project and transfer as per terms. The project risk factors are relatively high.
PG5	Weak project. Weak prospects of implementation of the real estate project and transfer as per terms. The project risk factors are very high.

Grading Watch

Alerts to the possibility of a grading change subsequent to, or in anticipation of, a) some material identifiable event and/or b) deviation from expected trend. But it does not mean that a grading change is inevitable. Grading Watch may carry designation – Positive (grading may be raised, negative (lowered), or developing (direction is unclear). A watch should be resolved within foreseeable future, but may continue if underlying circumstances are not settled.

Outlook (Stable, Positive, Negative, Developing)

Indicates the potential and direction of a grading over the intermediate term in response to trends in economic and/or fundamental business/financial conditions. It is not necessarily a precursor to a grading change. ‘Stable’ outlook means a grading is not likely to change. ‘Positive’ means it may be raised. ‘Negative’ means it may be lowered. Where the trends have conflicting elements, the outlook may be described as ‘Developing’.

Suspension

It is not possible to update an opinion due to lack of requisite information. Opinion should be resumed in foreseeable. However, if this does not happen within six (6) months, a suspended grading should be considered withdrawn.

Withdrawn

A grading is withdrawn on a) termination of grading mandate, b) cessation of underlying entity/project, or c) the grading remains suspended for six months.

Disclaimer: PACRA's project grading is not a recommendation to purchase, sell or hold investment in a project/security, in as much as it does not comment on the project/security's market price or suitability for a particular investor.