



RAMC assigns Tier-1 EB ratings to small hydropower plants funded via world's first mini-hydro green sukuk by Telekosang Hydro

Published on 31 May 2019.

RAM Consultancy Services Sdn Bhd (RAMC), a provider of sustainability services and environmental, social and governance (ESG) analytics, has assigned Tier-1 Environmental Benefit (Tier-1 EB) ratings to the run-of-river small hydropower plant projects funded by Telekosang Hydro One Sdn Bhd's (TH1) proposed RM470.0 million ASEAN Green SRI Sukuk and RM120.0 million ASEAN Green Junior Bonds. These instruments also carry credit ratings assigned by RAM Ratings.

The issuance proceeds will be mainly used for the development, financing, design, construction, ownership, operation and maintenance of TH1's and Telekosang Hydro Two Sdn Bhd's (TH2) respective 24 MW and 16 MW small hydropower plants (the Plants) located in Tenom, Sabah. In assigning the Tier-1 EB ratings, RAMC has considered the clean renewable energy generated by the Plants and the significant role they play in the decarbonisation of the energy grid.

RAMC's independent opinion - known as a second opinion - on TH1's Telekosang ASEAN Green SRI Sukuk/Telekosang ASEAN Green Junior Bonds Framework (the Framework) concludes that the Framework provides the requisite clarity on utilisation of proceeds, project evaluation and selection, management of proceeds and reporting commitments. The Framework is consistent with the eligibility requirements of Securities Commission Malaysia's Sustainable and Responsible Investment (SRI) Sukuk Framework as well as the ASEAN Capital Markets Forum's ASEAN Green Bond Standards, which is based on the International Capital Markets Association's Green Bond Principles.

TH1 and TH2 have commissioned an Environmental Impact Assessment (EIA) along with other due diligence assessments and feasibility studies, to identify the key environmental risks and mitigating action plans related to the construction, operation and maintenance of the Plants. Under the EIA, soil erosion and water quality deterioration have been identified as risks to be managed during the construction phase. The key management team of TH1 and the appointed project management consultant will monitor the construction phase of the Plants, to ensure that the identified environmental risks are addressed and properly mitigated.

RAMC is a provider of sustainability services and ESG analytics. Incorporated on 31 May 2000, it is a wholly owned subsidiary of RAM Holdings Berhad. RAMC is the first ASEAN-based provider of sustainability ratings and second opinions, and has the distinction of being the first Registered Observer of the International Capital Market Associations' Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines in ASEAN. For further details, please refer to <https://www.ram.com.my/sustainability>.



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