



# **RP HYDRO (KELANTAN) SDN BHD**

## **▪ KELANTAN SMALL HYDROPOWER PROJECT ASEAN GREEN SRI SUKUK WAKALAH FRAMEWORK**

**ISLAMIC MEDIUM-TERM NOTES ISSUANCE OF UP TO RM975.0  
MILLION IN NOMINAL VALUE**

## **SECOND OPINION REPORT 21 February 2023**

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RAM Sustainability has assessed RP Hydro (Kelantan) Sdn Bhd's (RPHK or the Issuer) Kelantan Small Hydropower Project ASEAN Green SRI Sukuk Wakalah Framework (the Framework) against the sustainability responsibilities and disclosure requirements of the following guidelines and standards:

- Securities Commission Malaysia's (SC) Sustainable and Responsible Investment (SRI) Sukuk Framework<sup>1</sup>
- The ASEAN Capital Market Forum's ASEAN Green Bond Standards<sup>2</sup> (GBS)
- The International Capital Market Association's (ICMA) Green Bond Principles<sup>3</sup> (GBP)

Our assessment relies on both public information and data provided by the Issuer on the Framework and the ASEAN Green SRI Sukuk Wakalah of up to RM975.0 million (the Sukuk). We have not undertaken any audit or other related activity to ascertain the validity or accuracy of the information provided.

RAM Sustainability classifies a green, social or sustainability bond framework as *Weak*, *Basic*, *Intermediate*, or *Advanced*, relative to applicable regulations and guidelines or best practices.

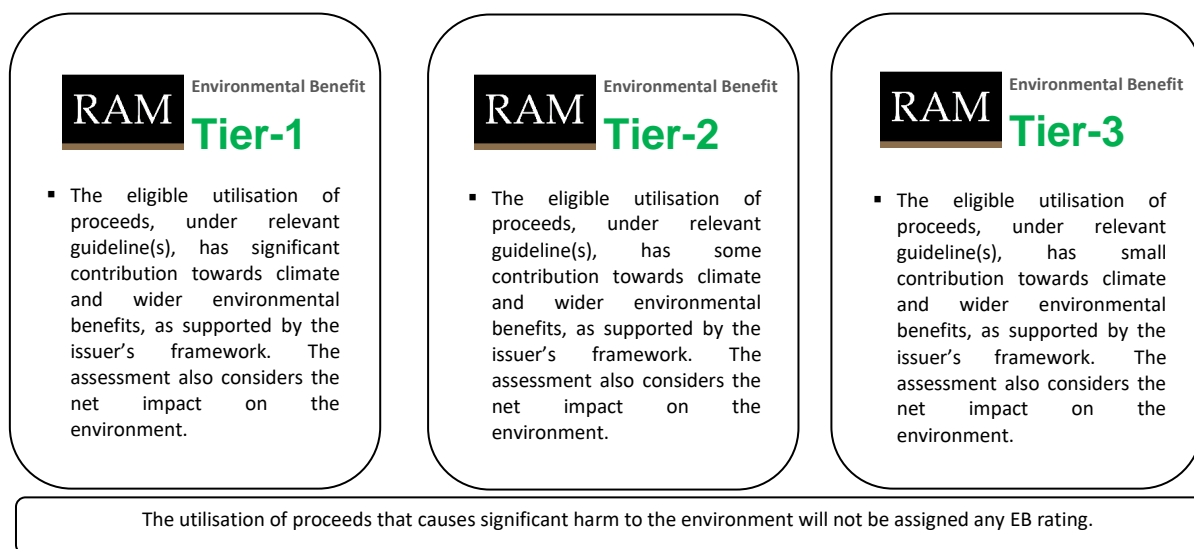
Level	Framework Characteristics
Weak	Not observable in the framework.
Basic	Observable in the framework, but are below best practice.
Intermediate	Observable in the framework and in line with best practice.
Advanced	Observable in the framework and are more stringent, comprehensive, and establish a new benchmark and new best practice.

<sup>1</sup> Chapter 7 of Part 3 of Section B of the *Guidelines on Unlisted Capital Market Products* issued by the SC (SRI Sukuk Framework). The SRI Sukuk Guidelines were launched by the SC in August 2014 to facilitate the financing of assets and projects with sustainable benefits. The SRI Sukuk Framework was updated on 28 November 2022.

<sup>2</sup> The ASEAN GBS, developed by the ACMF, were established to enhance the transparency, consistency and uniformity of ASEAN Green Bonds. Developed based on the ICMA's GBP, the ASEAN GBS were issued in November 2017 and subsequently updated in October 2018. The ASEAN GBS are meant for issuers that intend to issue green bonds within the ASEAN region.

<sup>3</sup> The GBP are voluntary process guidelines that recommend transparency and disclosure measures for issuers. The guidelines were issued in January 2014 and updated in June 2022. The GBP are meant for broad use by a variety of participants in the green bond market, to facilitate the flow of financing to climate-friendly solutions.

The ultimate objective of green bonds is to facilitate the financing of environmentally friendly solutions that can help mitigate the effects of climate change and/or create value for the surrounding ecosystem. RAM Sustainability's green bonds evaluation is a qualitative and quantitative assessment of the contributions of a project or financing facility to a low-carbon, sustainable future. The transparency and disclosure strength of the green bonds is also a key consideration. RAM Sustainability's Environmental Benefit (EB) rating definitions are as follows:



RPHK's Framework is, in RAM Sustainability's view, aligned with the requirements of the SC's SRI Sukuk Framework, the ASEAN GBS and the ICMA's GBP. The Framework is aligned with all core areas and 11 out of 18 applicable recommendations under the latest pre-issuance checklist<sup>4</sup> of the GBP.

Issuance proceeds from RPHK's Sukuk will be used to part finance and/or part reimburse costs related to the development, design, construction, operation, and maintenance of three small hydropower plants (SHPs) along the Galas River in Dabong, Kelantan, Malaysia (referred to as the Project), as well as defray expenses related to the issuance. The Sukuk will finance the following three SHPS:

- i) 30 MW Serasa SHP
- ii) 29 MW Kemubu SHP
- iii) 25 MW Kuala Geris SHP

All three SHPs will also include individual transmission lines, ultimately feeding renewable energy (RE) into the national grid.

The Project falls under the RE category, which is classified "green" under the three guidelines and standards. Hydropower as a source of RE is clean and infinite, with a smaller carbon footprint compared to traditional power generation from fossil fuels. The Project will employ a run-of-river concept where its facilities generate energy from available water according to the natural flow of the river in a controlled environment, and no flooding or inundation is required. The Project will contribute about 0.7% of the government's targeted 31% proportion of RE (12,916 MW of installed RE capacity) by 2025.

While run-of-river hydropower systems are considered less damaging than an impoundment facility, the Project could still cause river water quality deterioration if soil erosion during construction is unmitigated. To address this issue, RPHK will establish an Environmental Management Plan (EMP) to ensure the necessary mitigation measures are implemented. These include seeding and mulching slopes, installing erosion control blankets to protect embankment slopes, and constructing earth drains to divert surface runoff into sediment basins. The Issuer will also have in place an Occupational Health and Safety (OHS) Policy to outline its commitment to creating and maintaining a safe and healthy work environment for its employees, contractors, members of the public and related parties.

RPHK will establish two departments under its operation division to oversee the implementation of environmental and social measures. The Project's environmental performance will be monitored by an Environmental Management Department while the Sustainability Management Department will be responsible for facilitating engagement with relevant stakeholders.

Additionally, an Environmental and Sustainability Framework Performance Monitoring Committee will be formed to oversee all environmental and sustainability aspects including compliance with applicable laws and regulations. Comprising representatives from all relevant parties involved in the Project, this committee will be chaired by RPHK's Managing Director and will meet at least once every quarter.

<sup>4</sup> [https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Pre-issuance-checklist-Green-Bonds\\_June-2022-280622.pdf](https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Pre-issuance-checklist-Green-Bonds_June-2022-280622.pdf)

RAM Sustainability's EB assessment tiers projects and financing facilities based on their contribution towards climate and wider environmental benefits. We have assigned *the highest Tier-1 EB rating* to the RE Project considering its significant net contribution towards climate change mitigation. The three SHPs are expected to commence operations in December 2025.



We find the Framework as having an *Intermediate* level of disclosure, incorporating details that we view to be in line with best practices. Our key assessment areas are listed in Table 1.

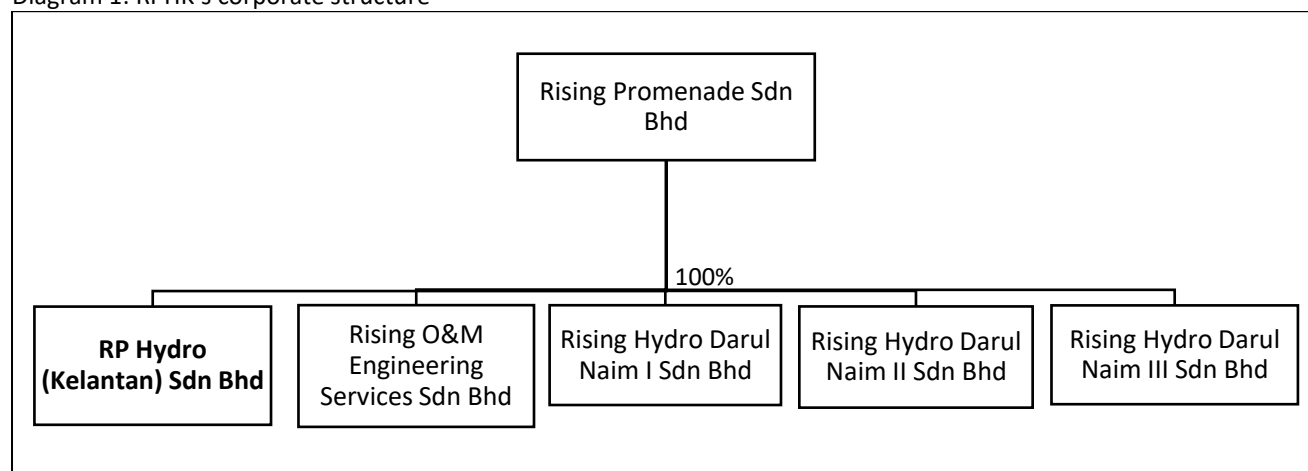
Table 1: Summary of RAM Sustainability's assessment of RPHK's Framework

Components	SRI SUKUK	ASEAN	ICMA	Best Practices	RAM's Overall Opinion
Utilisation of Proceeds (By Asset/Project Category):	Core	Core	Core	Applicable	<i>Intermediate</i>
i) Eligibility Criteria Disclosure Quality	-	-	-	Applicable	<i>Intermediate</i>
ii) Indicative Proceeds Allocation	-	-	-	-	<i>Intermediate</i>
iii) Exclusion List:					
- Issue Transaction-level	-	Fossil Fuel Power Generation Ineligible	-	Applicable	<i>Intermediate</i>
- Group-level	-	-	-	Applicable	<i>While there is no explicit exclusion list, RPHK's parent company, Rising Promenade Sdn Bhd, is an energy service company focusing on small hydropower generation projects. RPHK's proposed new ultimate parent, Malakoff Corporation Berhad (Malakoff), is committed to growing their RE business and will no longer be investing in new coal-fired power plants.</i>
Project Evaluation & Selection	Core	Core	Core	Applicable	<i>Intermediate</i>
Management of Proceeds	Core	Core	Core	Applicable	<i>Intermediate</i>
Reporting Commitments:					
i) Allocation reporting	Core	Core	Core	Applicable	<i>Intermediate</i>
ii) Impact reporting	Core	Core	Core	Applicable	<i>Intermediate</i>

## 1. CORPORATE PROFILE

RPHK is a special-purpose vehicle established and wholly owned by Rising Promenade Sdn Bhd (Rising Promenade) for the structured development of the Project. Rising Promenade is an energy service company specialising in the provision of technical due diligence and advisory services for power and utility projects. It has identified small hydropower generation projects as a core area of growth for its business.

Diagram 1: RPHK's corporate structure

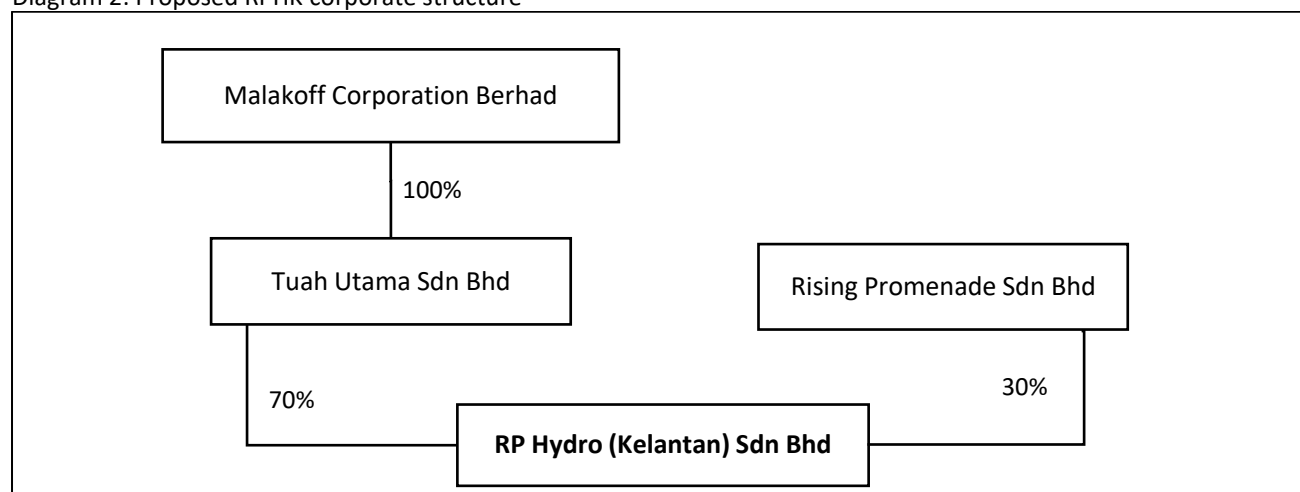


Source: RPHK

RPHK is currently undergoing a proposed shareholding change which will result in it being 70% owned by Tuah Utama Sdn Bhd (TUSB), a wholly owned subsidiary of Malakoff and the remaining 30% being owned by its existing shareholder, Rising Promenade. The proposed shareholding change is subject to board approval in February 2023.

Malakoff is a multinational power, water and environmental solutions company operating in Malaysia, Saudi Arabia, Bahrain, and Oman. TUSB is the investment holding company under Malakoff's RE business. Malakoff has committed to transitioning to a low-carbon system and identified RE as a key growth area in their sustainability-centred strategy, *Malakoff 2.0 Strategic Transformation*, with targets to achieve Net Zero Carbon Emissions by 2050 and 1,400 MW of RE generation by 2031<sup>5</sup>.

Diagram 2: Proposed RPHK corporate structure

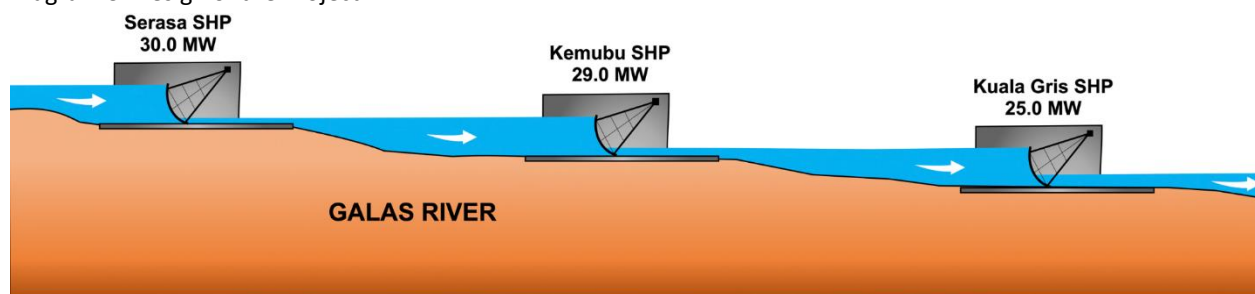


The Issuer entered into the Renewable Energy Power Purchase Agreements (REPPAs) with Tenaga Nasional Berhad (TNB) on 23 June 2021, under which TNB will be the sole offtaker of electricity generated by the Project for a 21-year concession period from the feed-in tariff commencement date.

<sup>5</sup> Malakoff Corporation Berhad Integrated Annual Report 2021.



Diagram 3: Design of the Project



Note: Each SHP will be equipped with 33 kV transmission lines connecting to the Collector Sub-Station (CSS) in Kemubu, Kelantan.

Source: RPHK

## 2. REVIEW OF RPHK'S KELANTAN SHP ASEAN GREEN SRI SUKUK WAKALAH FRAMEWORK

Our review examines the four principles embedded in the SRI Sukuk Framework, the ASEAN GBS and the GBP:

- (i) Utilisation of Proceeds
- (ii) Project Evaluation and Selection
- (iii) Management of Proceeds
- (iv) Reporting Commitments

For detailed comparisons, please refer to Appendix 1 for the SRI Sukuk Framework Checklist, Appendix 2 for the ASEAN GBS Checklist, and Appendix 3 for the GBP External Review Form.

### 2.1. Utilisation of Proceeds

The issuance proceeds from RPHK's ASEAN Green SRI Sukuk Wakalah will be used to part finance and/or part reimburse the construction and development costs incurred and/or to be incurred for the Project, as well as defray expenses related to the issuance. Up to 80% of the total project cost amounting to approximately RM1.2 billion will be funded by proceeds from the Sukuk.

The SRI Sukuk Framework, the ASEAN GBS and the GBP recognise several categories of eligible green projects. Broadly defined, green projects refer to innovative, climate-friendly solutions that help deliver clear environmental benefits.

The Project falls under the RE category, which is classified "green" under the three guidelines and standards (Table 3).

Table 3: RE – eligibility under GBP, ASEAN GBS and SRI Sukuk Framework

GBP	ASEAN GBS	SRI Sukuk Framework <sup>6</sup>
Use of proceeds – renewable energy (including production, transmission, appliances and products)	Item 4.1.5 (i) Use of Proceeds – renewable energy	Item 7.07 (c) and 7.08 (a) (i) – an Eligible SRI project refers to a project that promotes the use of renewable energy, and may include green projects that relate to renewable energy.

The utilisation of proceeds from the Sukuk is deemed consistent with best practices on green finance, particularly in the following aspects:

<sup>6</sup> As per Guidelines on Unlisted Capital Market Products Under the Lodge and Launch Framework.

### Ineligible Projects

Consistent with the ASEAN GBS, RPHK will not provide funding for projects utilising fossil fuel for power generation, as stated in the Framework. Projects related to the nuclear sector, weapons, alcohol, tobacco, child labour, gambling and adult entertainment are also on the list of ineligible projects.

### Alignment of Project Categories with relevant Sustainable Development Goals (SDGs)

In tandem with the rise of sustainable finance, SDGs have been widely adopted by financial market participants since their launch in 2015. For many institutional investors, the SDGs provide a harmonised structure to align investments with key sustainability issues that affect the world today. RPHK has tied the Project to the relevant SDGs – Goal 7: Affordable and Clean Energy; and Goal 13: Climate Action.

## 2.2. Project Evaluation & Selection

Sustainable project management requires an assessment of issues and challenges within a local context. To this end, the Issuer has commissioned the following:

- (i) Feasibility studies
- (ii) Power system study
- (iii) Hydrological studies
- (iv) Soil investigations

Additionally, an Environmental Impact Assessment (EIA) was conducted for the Project by ERE Consulting Group Sdn Bhd in November 2020. The EIA concluded that the Project would not generate any significant adverse impact to the environment and local communities, given adequate control measures and safeguards in place. The EIA report was presented to and approved by Jabatan Alam Sekitar Negeri Kelantan (Kelantan State Department of Environment).

RPHK's Kelantan SHP SRI Sukuk Working Committee (Working Committee), consisting of senior management and chaired by the Managing Director, reviewed the studies and reports commissioned and ultimately approved the Project. The Working Committee will continue to manage and supervise the Project to ensure it is aligned with the Framework.

In our view, the processes employed by RPHK are good governance practices for the development of the Project.

## 2.3. Management of Proceeds

RPHK has clearly defined formal internal processes linked to the management of proceeds. Sukuk issuance proceeds will be deposited into a designated disbursement account known as the Collection Account (CA), which will be operated solely by the Security Trustee – Malaysian Trustees Berhad. Disbursements from the CA to meet the Project's costs will be subject to the terms and conditions of the ASEAN Green SRI Sukuk Wakalah and supported by project documentation submitted by the Issuer. This includes certified progress billings from the engineering, procurement, construction and commissioning (EPCC) contractor. An independent technical adviser has been appointed to validate and certify progress billings from the EPCC contractor during the construction phase of the Project and after the issuance of the Sukuk.

The Issuer has also established a clear eligibility rule that serves as a guide for the investment of unutilised funds in the designated accounts. Any unutilised proceeds in the designated accounts will be invested in liquid shariah-compliant products approved by the Shariah Advisory Council (SAC) of the SC and/or the SAC of Bank Negara Malaysia (BNM) and/or recognised shariah authorities acceptable to the Issuer's shariah adviser. Such shariah-compliant investment products include Islamic fixed deposits, Islamic bankers' acceptances, Islamic treasury bills, and other Islamic instruments or sukuk issued by BNM or the government.

## 2.4. Reporting Commitments

Transparency in reporting is crucial in the issuance of green sukuk. The ASEAN GBS and the SRI Sukuk Framework require issuers of green sukuk to establish a formal process to communicate the allocation of proceeds and the positive impact created.

RPHK is committed to publishing allocation and impact reports that provide such information. Allocation reports will be disclosed annually until full utilisation of proceeds while impact reports will be published annually throughout the tenure of the Sukuk. These reports will be made publicly available on RPHK's website ([www.rphk.com.my](http://www.rphk.com.my)).

Table 4: RPHK's reporting commitments

Allocation Reporting	<ul style="list-style-type: none"><li>▪ The list of projects to be funded by the Sukuk and the amounts allocated and utilised.</li><li>▪ The remaining balance of unallocated and/or unutilised proceeds, and where such proceeds are placed or invested pending utilisation.</li></ul>
Impact Reporting	<ul style="list-style-type: none"><li>▪ Brief description of the Project.</li><li>▪ Installed RE capacity (MW).</li><li>▪ RE produced (MWh).</li><li>▪ Greenhouse gas (GHG) emissions avoided (tonnes of CO<sub>2</sub> equivalent).</li></ul>

*Note: Subject to confidentiality and availability of information.*

The Issuer may report additional indicators and information at its own discretion. This includes the key methodology or assumptions used to determine the impact or expected impact of the Project, e.g., methodology employed to compute carbon emissions avoided and emission conversion factors.

## 3. SUSTAINABILITY ASSESSMENT

### 3.1. National-Level Drivers

The Sukuk to be issued by RPHK enables the financing of the RE sector and will support national-level RE objectives and plans.

Table 5: National-level objectives and plans

Category	National-Level Objectives and Plans
Renewable Energy	<p><u>Increasing RE generation</u></p> <p>The government targets a 31% proportion of RE (12,916 MW installed RE capacity) by 2025. Passed in 2011, the Renewable Energy Act aims to increase the contribution of clean and renewable energy sources such as hydropower, solar photovoltaic systems, biomass and biogas in Malaysia's electricity generation mix. An important driver in the RE industry is the feed-in tariff mechanism implemented and managed by the Sustainable Energy Development Authority of Malaysia (SEDA). The mechanism provides guaranteed long-term contracts for power generated from RE sources.</p> <p>Through the Sukuk, RPHK will develop three small hydropower plants with a total 84 MW of RE capacity, contributing approximately 0.7% of the national target.</p>

## 3.2. Entity-Level Assessment

### Sustainability Strategy

The Project to be financed by the Sukuk marks RPHK's first venture into RE. It is aligned with Rising Promenade and Malakoff's mission of increasing RE generation. The Issuer has established an Environmental and Sustainability Policy that articulates the underpinning sustainability initiatives of the Project.

Table 6: RPHK's Environmental and Sustainability Policy

Initiative	Description
Promoting the Development of Renewable Energy	<ul style="list-style-type: none"><li>To utilise existing river flow for power generation.</li></ul>
Reducing Greenhouse Gas Emission	<ul style="list-style-type: none"><li>The use of RE for power generation instead of conventional fossil fuels.</li></ul>
Preserving and Protecting the Environment	<ul style="list-style-type: none"><li>The implementation of the run-of-river low head concept for hydropower generation will minimise the impact on land, forest and biodiversity.</li></ul>
Improving the Quality of Life of Society	<ul style="list-style-type: none"><li>Employment.</li></ul>
Seeking to Achieve Positive Social Outcomes	<ul style="list-style-type: none"><li>Sense of belonging.</li></ul>

Source: RPHK

RPHK is committed to producing an Environmental and Sustainability Framework to incorporate these strategies into its operations. This framework will also serve to align its business activities with relevant national policies and SDGs.

### Sustainability Governance

The Issuer will form two departments under its operation division to oversee the implementation of the Environmental and Sustainability Framework. An Environmental Management Department will be established to carry out environmental initiatives and to monitor the environmental performance of the Project. Meanwhile, a separate Sustainability Management Department will be responsible for implementing social initiatives and facilitating engagement with the relevant stakeholders, e.g., local communities.

Furthermore, RPHK will form an Environmental and Sustainability Framework Performance Monitoring Committee to monitor all environmental and sustainability aspects including compliance with applicable laws and regulations. This committee will comprise of representatives from all relevant parties involved in the Project and will be chaired by the Managing Director. It will meet at least once every quarter.

### Controversy Scan

As part of our ESG assessment, we ran a media scan of Malakoff, Rising Promenade and their subsidiaries. No controversy pertaining to the entities' ESG practices had been observed as of 21 February 2023.

### 3.3. Sustainability Management of the Project

RPHK will develop the Project along the Galas River, a tributary of the Kelantan River. The Project will employ a run-of-river concept, where its facilities will generate energy from available water according to the natural flow of the river, and no flooding or inundation is required. The three SHPs will use barrages to produce head levels needed to turn the turbines.

The Project involves the construction of a series of transmission lines, partly within the Serasa, Relai and Sungai Sam Permanent Reserve Forests (PRFs). It therefore falls under the First Schedule of the Environmental Quality (Prescribed Activities) (Environmental Impact Assessment) Order 2015, which requires an EIA report for the construction of transmission lines in environmentally sensitive areas.

In its EIA, the independent environmental consultant, ERE Consulting Group, has analysed the Project's impact in the investigation, construction and operation phases. The EIA found that the Project (including transmission lines) would not cause significant adverse environmental and ecological impact to the PRFs and surrounding rivers. It will also not produce excessive and harmful air and noise pollution.

To address the risk of soil erosion during construction, which could cause river water quality deterioration, RPHK's EMP will ensure mitigation measures recommended in the EIA are implemented and the Project adheres to all regulatory environmental standards and criteria. Recommended mitigation measures include seeding and mulching slopes, installing erosion control blankets to protect embankment slopes, and constructing earth drains to divert surface runoff into sediment basins.

The Issuer is required to submit quarterly performance reports to Jabatan Alam Sekitar Negeri Kelantan throughout the Project's construction phase. Reporting will cover the effectiveness of the Project's environmental control measures, the monitoring of river water quality and air quality test results and other environmental indicators, a record of public complaints (if any) and responses to the complaints. RPHK is also responsible for appointing an independent third party to conduct an environmental audit every four months during construction or as and when instructed by Jabatan Alam Sekitar Negeri Kelantan.

RPHK's management team and the appointed project management consultant, SMEC (Malaysia) Sdn Bhd (SMEC), will monitor the Project's construction phase to ensure that identified environmental risks are mitigated. Established in 1970 and locally incorporated in 1991, SMEC has an extensive track record in project management for dams, small hydropower and pumped storage projects.


The Issuer's OHS Policy, that underlines its commitment to creating and maintaining a healthy and safe work environment, will be aligned with relevant legislation and standards. RPHK will also establish an OHS Management System to ensure safe operations throughout the Project.

The main activities during the Project's operational phase, scheduled to commence in December 2025, include operating barrage gates to maintain water levels, monitoring sediment levels and deposits, and periodically inspecting and maintaining plant equipment. In view of the relatively low level of activity and undemanding maintenance requirements, the environmental impact is anticipated to be minimal. During the operation of the Project, electricity generation using hydropower turbines will not cause pollution or emit GHG, while operational waste streams are envisaged to be insignificant.

### 3.4. Creation of Positive Impact via the Sukuk

We expect the Project to create a positive impact on the environment, as highlighted in Table 7.

Table 7: Positive impact created and alignment with United Nations' SDGs

Eligible Project Category	Positive Impact Creation	Alignment with SDGs and Targets
Renewable Energy	<p>Climate change is an acute planetary threat which may have costly repercussions for communities and global economies. Approximately 35% of the world's GHG emissions today can be attributed to energy production and systems. Therefore, the energy sector plays a critical role in global efforts to mitigate the effects of climate change. The transition towards low-carbon energy systems is already taking place. RE provides a means to generate electricity from clean and sustainable sources like water, sunlight and wind. The deployment of RE solutions has the potential to significantly reduce the GHG emission intensity of the global energy system. As such, investments in RE ought to be scaled up so the world can achieve the emission reduction goals set out in the Paris Climate Accord.</p> <p>In our view, innovative RE systems will be a key component in the building of a low-carbon future. RE systems should not however create a negative environmental or social impact. According to the International Renewable Energy Agency, renewable sources could constitute 65% of global energy use by 2050.</p> <p>The three SHPS are projected to generate a total of 484.54 GWh of energy per year throughout the 23-year tenure of the Sukuk. Compared with the grid emission intensity<sup>7</sup> for Peninsular Malaysia, this translates into potential avoidance of approximately 274,424 tonnes of carbon emissions annually.</p>	 <p>7.2 – By 2030, substantially increase the share of renewable energy in the global energy mix.</p> <p>7a – By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency, and advanced cleaner fossil-fuel technology, as well as promote investment in energy infrastructure and clean energy technology.</p>

<sup>7</sup> Baseline CO<sub>2</sub> for Peninsular Malaysia = 0.585 tonnes of CO<sub>2</sub>/MWh (2017) (source: Ministry of Energy, Science, Technology, Environment and Climate Change)

# APPENDIX 1

## APPENDIX 1: SRI SUKUK FRAMEWORK CHECKLIST

Reference:

Guidelines on Unlisted Capital Market Products Under the Lodge and Launch Framework

Part 3: Corporate Bonds and Sukuk

Chapter 7: Sustainable and Responsible Investment (SRI) Sukuk

No.	Item	Requirement	Alignment	Comment
7.07 & 7.08	Eligible SRI Projects	<p>An Eligible SRI project refers to a project that seeks to achieve any one or a combination of the following objectives:</p> <ul style="list-style-type: none"> <li>(a) Preserving and protecting the environment and natural resources.</li> <li>(b) Conserving the use of energy.</li> <li>(c) Promoting the use of RE.</li> <li>(d) Reducing greenhouse gas emissions.</li> <li>(e) Addressing or mitigating a specific social issue or seeking to achieve positive social outcomes, especially but not exclusively for a target population.</li> <li>(f) Improving society's quality of life.</li> </ul> <p>Eligible SRI projects may include, but are not limited to, the following:</p> <ul style="list-style-type: none"> <li>(a) Green projects that relate to: <ul style="list-style-type: none"> <li>(i) Renewable energy.</li> <li>(ii) Energy efficiency.</li> <li>(iii) Pollution prevention and control.</li> <li>(iv) Environmentally sustainable management of living natural resources and land use.</li> <li>(v) Terrestrial and aquatic biodiversity conservation.</li> <li>(vi) Clean transportation.</li> <li>(vii) Sustainable water and wastewater management.</li> <li>(viii) Climate change adaptation.</li> <li>(ix) Eco-efficient and/or circular economy-adapted products, production technologies and processes.</li> <li>(x) Green buildings which meet regional, national or internationally recognised standards or certifications.</li> </ul> </li> <li>(b) Social projects that relate to: <ul style="list-style-type: none"> <li>(i) Affordable basic infrastructure.</li> <li>(ii) Access to essential services.</li> <li>(iii) Affordable housing.</li> <li>(iv) Employment generation, including the potential effects of SME financing and microfinancing.</li> <li>(v) Food security.</li> <li>(vi) Socioeconomic advancement and empowerment.</li> </ul> </li> <li>(c) Projects which are the combination of green and social projects, as described in (a) and (b) above.</li> <li>(d) <i>Waqf</i> projects that relate to the development of <i>waqf</i> properties or assets.</li> </ul>	Yes	<p>Proceeds from the ASEAN Green SRI Sukuk Wakalah will be used to part finance and/or part reimburse costs related to the development, design, construction, operation and maintenance of three hydropower plants – 30 MW, 29 MW and 25 MW, respectively – along the Galas River in the District of Dabong, Kelantan, Malaysia, as well as defray expenses related to the issuance. The eligible SRI projects relate to renewable energy.</p>



No.	Item	Requirement	Alignment	Comment
7.10 & 7.11	Utilisation of Proceeds	An issuer must ensure that the proceeds raised from the issuance of the SRI sukuk are utilised only for the purpose of funding any activities or transactions relating to the Eligible SRI projects, as described in paragraph 7.08 above.	Yes	As in 7.07 & 7.08 above.
		In relation to the activities or transactions that involve the acquisition of a company undertaking Eligible SRI projects, an issuer must ensure that the company to be acquired does not carry on any other business or projects except the Eligible SRI projects.	N/A	There are no activities/transactions related to the acquisition of a company.
7.12	Process for Project Evaluation and Selection	An issuer must establish internal processes for the evaluation and selection of the Eligible SRI projects, as identified in paragraph 7.08 above.	Yes	<p>RPHK has conducted an EIA and other technical studies and assessments for the development and implementation of small hydropower plants in Dabong, Kelantan.</p> <p>The Issuer's Kelantan SHP SRI Sukuk Working Committee, consisting of senior management, has reviewed the studies and reports commissioned and ultimately approved the Project. This committee will continue to manage and supervise the Project to ensure it is aligned with the Framework.</p> <p>For more detailed information, please refer to Section 2.2 Project Evaluation and Selection.</p>
7.13	Management of Proceeds	An issuer must ensure that the proceeds allocated to the Eligible SRI projects are deposited into a designated account or otherwise tracked in an appropriate manner.	Yes	The proceeds from the Sukuk will be deposited into the designated accounts, which will be operated solely by the Security Trustee. The Issuer will invest unutilised funds in the designated accounts in liquid shariah-compliant products approved by the SAC of the SC and/or the SAC of BNM and/or recognised shariah authorities acceptable to the Issuer's shariah adviser. Please refer to Section 2.3 Management of Proceeds.
7.14	Reporting	<p>An issuer must provide the following information to the sukukholders, annually through a designated website:</p> <ul style="list-style-type: none"> <li>(a) The original amount allocated to the Eligible SRI projects.</li> <li>(b) The amount utilised for the Eligible SRI projects.</li> <li>(c) The unutilised amount and where such unutilised amount is placed or invested pending utilisation.</li> <li>(d) The list of Eligible SRI projects to which the SRI sukuk proceeds have been allocated, and a brief description of the said Eligible SRI projects and their impact or expected impact, including the key underlying methodology or assumptions used to determine the impact or expected impact.</li> </ul>	Yes	RPHK has committed to publishing allocation and impact reports on its corporate website ( <a href="http://www.rphk.com.my">www.rphk.com.my</a> ). Allocation reports will be disclosed annually until full utilisation of proceeds while impact reports will be published annually throughout the tenure of the Sukuk.

No.	Item	Requirement	Alignment	Comment
7.05 & 7.16	Disclosure Requirements	The information relating to the issuer and the details of the issuer's SRI Sukuk Framework must be made publicly accessible via a designated website to be disclosed by the issuer. Such information on the designated website must be made available at the point of issuance and throughout the tenure of the SRI sukuk.	Yes	RPHK has committed to disclosing the Framework on its corporate website. It will also publish allocation and impact reports to provide the necessary information to sukukholders. Allocation reports will be disclosed annually until full utilisation of proceeds while impact reports will be published annually throughout the tenure of the Sukuk.
		<p>For the purpose of disclosure of the details of the issuer and the SRI Sukuk Framework under paragraph 7.05 above, the following information must be included:</p> <ul style="list-style-type: none"> <li>(a) The overall SRI objectives that the issuer intends to achieve.</li> <li>(b) The utilisation of proceeds from the issuance of the SRI sukuk. Where all or part of the proceeds are used for refinancing, an issuer must provide the amount of proceeds allocated to refinancing and which Eligible SRI projects will be refinanced.</li> <li>(c) The Eligible SRI projects to which the proceeds will be allocated.</li> <li>(d) The details of the Eligible SRI projects and, to the extent possible, the impact objectives of the Eligible SRI projects.</li> <li>(e) The processes used by the issuer to evaluate and select the Eligible SRI projects.</li> <li>(f) The criteria used by the issuer to identify and manage material environmental or social risks associated with the Eligible SRI projects.</li> <li>(g) The processes used by the issuer to manage the proceeds from the issuance of the SRI sukuk.</li> <li>(h) A statement that the issuer has complied with the relevant environmental, social and governance standards or recognised best practices relating to the Eligible SRI projects.</li> </ul>	Yes	<p>The Issuer is committed to publishing the Framework, which contains (a) – (h), on its corporate website.</p> <p>For detailed information on disclosure requirements, see Section 2.4 Reporting Commitments.</p>
7.17	External review	If an external reviewer is appointed to assess and provide a report on the Eligible SRI projects or the issuer's compliance with the requirements under these guidelines, such external reviewer's report must be made available on the designated website.	Yes	RAM Sustainability has been appointed to provide a second opinion on the Issuer's Framework. The review covers an assessment of the Issuer's alignment with the requirements of the SRI Sukuk Framework, the ASEAN GBS and the GBP, as well as the sustainability responsibilities of the Issuer. The second opinion report will be made available on RPHK's corporate website and RAM's website ( <a href="http://www.ram.com.my">www.ram.com.my</a> ).

# APPENDIX 2

## APPENDIX 2: ASEAN GREEN BOND STANDARDS (ASEAN GBS) CHECKLIST

Reference:

ASEAN Capital Markets Forum – ASEAN Green Bond Standards (GBS)

Item	No.	Requirement	Alignment	Comment
Eligible Issuers and Issuance	3.1	(i) Must be an ASEAN Issuer; or (ii) In the case of a Non-ASEAN Issuer, the eligible Green Projects must be located in any of the ASEAN countries.	Yes	The Issuer is an entity incorporated in Malaysia, a member of ASEAN.  The Project is in Dabong, Kelantan, Malaysia.
	3.2	ASEAN Green Bonds issuances must be originated from any of the ASEAN member countries.	Yes	The Sukuk to be issued under the Framework originates from Malaysia.
Eligible Green Projects	4.1.5	There are several broad categories of eligibility for Green Projects which contribute to environmental objectives such as climate change mitigation, climate change adaptation, natural resource conservation, biodiversity conservation, and pollution prevention and control. The categories include renewable energy and energy efficiency.	Yes	The Project is a renewable energy project involving the development, design, construction, operation and maintenance of three hydropower plants of 30 MW, 29 MW and 25 MW capacity, respectively.
Ineligible Projects	4.1.6	For clarification purposes, fossil fuel power generation projects are excluded from the ASEAN GBS.	Yes	The three SHPs are not powered by fossil fuels. The Issuer has also stipulated in the Framework that projects utilising fossil fuel for power generation are not eligible for funding.
Continuous Accessibility to Information and Reporting	4.2.1	The Issuer of ASEAN Green Bonds must clearly communicate to investors –  (i) The environmental sustainability objectives; (ii) The process by which the Issuer determines how the projects fit within the eligible Green Projects categories identified above; and (iii) The related eligibility criteria, including, if applicable, exclusion criteria or any other process applied to identify and manage potentially material environmental and social risks associated with the Green Projects.	Yes	Through the Sukuk, the Issuer aims to promote the development of renewable energy and reduce greenhouse gas emissions.  The process for the evaluation and selection of the Project is detailed in the Framework.
	4.2.5	The Issuer must make the following publicly available on a website designated by the Issuer at the time of the issuance and throughout the tenure of ASEAN Green Bonds:  (i) The process for project evaluation; (ii) The use of proceeds; and (iii) External review report on the process (if any).	Yes	The Issuer is committed to publishing the Framework on its corporate website ( <a href="http://www.rphk.com.my">www.rphk.com.my</a> ). The Framework includes information describing the project evaluation process, the intended use of proceeds and the requirement to obtain a second opinion to confirm the validity of the Framework. The second opinion report will be made publicly available on RPHK's corporate website and RAM's website ( <a href="http://www.ram.com.my">www.ram.com.my</a> ).
	4.3.1	Prior to the issuance of the ASEAN Green Bonds, the Issuer must disclose to investors in the documentation for the issuance of the ASEAN Green Bonds the process for managing the net proceeds from the ASEAN Green Bonds.	Yes	The proceeds from the Sukuk will be deposited into the designated accounts, which will be operated solely by the Security Trustee. The Issuer will invest unutilised funds in the designated accounts in liquid shariah-compliant products approved by the SAC of the SC and/or SAC of BNM and/or recognised shariah authorities acceptable to the Issuer's shariah adviser.

Item	No.	Requirement	Alignment	Comment
	4.3.4	The Issuer must also disclose to investors in the documentation for the issuance of the ASEAN Green Bonds the intended types of temporary placement for the balance of unallocated proceeds.	Yes	The Issuer has stated, in the Framework, its intention to provide annual reporting via its corporate website, on the unutilised amount and where such unutilised amount is placed or invested pending utilisation.
	4.4.5	The Issuer must provide to investors the annual reporting and the external review on the annual reporting, if any, through a website designated by the Issuer and/or annual reports throughout the tenure of the ASEAN Green Bonds.	Yes	The Issuer is committed to publishing allocation and impact reports on its corporate website. Allocation reports will be disclosed annually until full utilisation of proceeds while impact reports will be published annually throughout the tenure of the Sukuk.
Encourage More Frequent Reporting	4.4.1	Issuers must report to investors at least on an annual basis and encouraged to make more frequent reporting on the use of proceeds until full allocation, and as necessary thereafter in the event of material developments. This should include a list of the projects to which the ASEAN Green Bonds proceeds have been allocated, as well as a brief description of the projects and the amounts allocated and their expected impact.	Yes	The Issuer is committed to publishing allocation and impact reports on its corporate website. Allocation reports will be disclosed annually until full utilisation of proceeds while impact reports will be published annually throughout the tenure of the Sukuk.
External Review	5.1	Issuers are recommended to appoint external review providers for their ASEAN Green Bonds issuances.	Yes	RAM Sustainability has been appointed to provide a second opinion of the Issuer's Framework. The review covers an assessment of the Issuer's Framework against disclosure requirements of the ASEAN GBS, the SRI Sukuk Framework and the GBP, as well as the sustainability responsibilities of the Issuer.
	4.2.4	It is recommended that the Issuer's process for project evaluation and selection be supported by an external review.	Yes	The second opinion report by RAM Sustainability covers project evaluation and selection.
	4.3.5	It is recommended that the Issuer's management of proceeds be supplemented by the use of an auditor, or other third party to verify the internal tracking method and the allocation of funds from the ASEAN Green Bonds proceeds.	No	This is a voluntary process. The Issuer has not stated any intention to appoint an auditor or other third party to verify the internal tracking method and allocation of issuance proceeds from the Sukuk.
	4.3.6	Where the Issuer appoints an auditor or other third party to verify the Issuer's management of proceeds, the Issuer must make the report produced by the auditor or other third party publicly available on a website designated by the Issuer at the time of issuance of the ASEAN Green Bonds.	No	This is a voluntary process. The Issuer has not stated any intention to appoint an auditor or other third party to verify the internal tracking method and allocation of issuance proceeds from the Sukuk.
	4.4.4	It is recommended that the Issuer's annual reporting on the use of proceeds be supplemented by a confirmation of such use of proceeds by an external reviewer along with any relevant updates of the external review.	No	This is a voluntary process. The Issuer has not stated its intention to appoint an external reviewer to confirm the accuracy of its annual reporting on the use of proceeds.

# APPENDIX 3



## Green Bond/ Green Bond Programme External Review Form

### Section 1. Basic Information

Issuer name: RP Hydro (Kelantan) Sdn Bhd

Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: Kelantan Small Hydropower Project ASEAN  
Green SRI Sukuk Wakalah Framework

Review provider's name: RAM Sustainability Sdn Bhd

Completion date of this form: 21 February 2023

Publication date of review publication: 21 February 2023

### Section 2. Review Overview

#### SCOPE OF REVIEW

*The following may be used or adapted, where appropriate, to summarise the scope of the review.*

The review assessed the following elements and confirmed their alignment with the GBP:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds        | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting                                    |

#### ROLE(S) OF REVIEW PROVIDER

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Consultancy (including second opinion) | <input type="checkbox"/> Certification     |
| <input type="checkbox"/> Verification                                      | <input checked="" type="checkbox"/> Rating |
| <input type="checkbox"/> Other (please specify):                           |  |

*Note: In case of multiple reviews / different providers, please provide separate forms for each review.*

#### EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (if applicable)

Please refer to the Second Opinion Report on RPHK's Kelantan SHP ASEAN Green SRI Sukuk Wakalah Framework.

## Section 3. Detailed Review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

### 1. USE OF PROCEEDS

Overall comment on section (if applicable):

Proceeds from the Sukuk will be used to part finance and/or part reimburse costs related to the development, design, construction, operation and maintenance of three small hydropower plants – 30 MW, 29 MW and 25 MW, respectively – along the Galas River in the District of Dabong, Kelantan, Malaysia, as well as defray expenses related to the issuance. This also includes setting up of construction facilities and infrastructures, sub-stations, transmission lines and interconnection to the grid and more related works and all expenses incurred.

Use of proceeds categories as per GBP:

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Renewable energy  | <input type="checkbox"/> Energy efficiency   |
| <input type="checkbox"/> Pollution prevention and control   | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation  | <input type="checkbox"/> Clean transportation  |
| <input type="checkbox"/> Sustainable water and wastewater management  | <input type="checkbox"/> Climate change adaptation   |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes                            | <input type="checkbox"/> Green buildings   |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBP | <input type="checkbox"/> Other (please specify):   |

If applicable please specify the environmental taxonomy, if other than GBP:

### 2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

The Issuer has commissioned (i) feasibility studies; (ii) an EIA; (iii) a power system study; (iv) soil investigations; and (v) hydrological studies for the 30 MW, 29 MW and 25 MW small hydropower plants. These studies have enabled the Issuer to systematically identify key environmental and social risks and mitigating action plans pertaining to the construction, operation and maintenance of the plants.

The Issuer's Kelantan SHP SRI Sukuk Working Committee, consisting of senior management, has reviewed the studies and reports commissioned and ultimately approved the Project. This committee will continue to manage and supervise the Project to ensure it is aligned with the Framework.

The processes employed are good governance practices in terms of small hydropower project developments in Malaysia.



## Evaluation and selection

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives      | <input type="checkbox"/> Documented process to determine that projects fit within defined categories                          |
| <input type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds      | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other <i>(please specify)</i> :  |

## Information on Responsibilities and Accountability

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other <i>(please specify)</i> :   |  |

## 3. MANAGEMENT OF PROCEEDS

Overall comment on section *(if applicable)*:

Proceeds from the Sukuk will be deposited into the designated accounts, which will be operated solely by the Security Trustee. Any unutilised proceeds in the designated accounts will be invested in liquid shariah-compliant products approved by the SAC of the SC and/or SAC of BNM and/or recognised shariah authorities acceptable to the Issuer's shariah adviser. Such shariah-compliant investment products include Islamic fixed deposits, Islamic bankers' acceptances, Islamic treasury bills, and other Islamic instruments or sukuk issued by BNM or the Malaysian government.

## Tracking of proceeds:

- |   |
|---|
| <input checked="" type="checkbox"/> Green Bond proceeds segregated or tracked by the issuer in an appropriate manner          |
| <input checked="" type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other <i>(please specify)</i> :  |

## Additional disclosure:

- |   |  |
|---|--|
| <input type="checkbox"/> Allocations to future investments only                             | <input type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements                             | <input type="checkbox"/> Allocation to a portfolio of disbursements          |
| <input checked="" type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other <i>(please specify)</i> :                     |

## 4. REPORTING

Overall comment on section *(if applicable)*:

The process for reporting is in line with expected norms for green sukuk. RPHK is committed to publishing allocation and impact reports that provide the relevant information. Allocation reports will be disclosed annually until full utilisation of proceeds while impact reports will be published annually throughout the tenure of the Sukuk. These reports will be made publicly available on the Issuer's corporate website ([www.rphk.com.my](http://www.rphk.com.my)).

## Use of proceeds reporting:

- |  |  |
|--|--|
| <input type="checkbox"/> Project-by-project            | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other <i>(please specify)</i> :         |

*Information reported:*

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Allocated amounts | <input type="checkbox"/> Green Bond financed share of total investment |
| <input type="checkbox"/> Other (please specify):      |  |
| <i>Frequency:</i>                                     |  |
| <input checked="" type="checkbox"/> Annual            | <input type="checkbox"/> Semi-annual                                   |
| <input type="checkbox"/> Other (please specify):      |  |

*Impact reporting:*

- |  |  |
|--|--|
| <input type="checkbox"/> Project-by-project            | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (please specify):                 |
| <i>Frequency:</i>                                      |  |
| <input checked="" type="checkbox"/> Annual             | <input type="checkbox"/> Semi-annual                             |
| <input type="checkbox"/> Other (please specify):       |  |

*Information reported (expected or ex-post):*

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> GHG Emissions / Savings | <input type="checkbox"/> Energy Savings   |
| <input type="checkbox"/> Decrease in water use              | <input checked="" type="checkbox"/> Other ESG indicators (please specify): <u>See Section 2.4 of the Second Opinion Report.</u> |

*Means of Disclosure*

- |   |  |
|---|--|
| <input type="checkbox"/> Information published in financial report  | <input type="checkbox"/> Information published in sustainability report  |
| <input type="checkbox"/> Information published in ad hoc documents  | <input checked="" type="checkbox"/> Other (please specify): <u>Allocation and impact reports published on RPHK's corporate website</u> |
| <input type="checkbox"/> Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review): |  |

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g., to review provider methodology or credentials, to issuer's documentation, etc.)

Corporate website of the Issuer ([www.rphk.com.my](http://www.rphk.com.my)).

**SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE**

Type(s) of Review provided:

- |  |  |
|--|--|
| <input type="checkbox"/> Consultancy (incl. 2 <sup>nd</sup> opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification / Audit                        | <input type="checkbox"/> Rating        |
| <input type="checkbox"/> Other (please specify):                     |  |

Review provider(s):

Date of publication:

**ABOUT ROLE(S) OF REVIEW PROVIDERS AS DEFINED BY THE GBP**

- 1) **Second Party Opinion:** An institution with environmental expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- 2) **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- 3) **Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- 4) **Green Bond Scoring/Rating:** An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

## ABOUT RAM SUSTAINABILITY

RAM Sustainability Sdn Bhd (RAM Sustainability) is a provider of sustainability services and ESG analytics. Incorporated on 31 May 2000, RAM Sustainability is a wholly owned subsidiary of RAM Holdings Berhad (RAM Group). RAM Sustainability is the first ASEAN-based provider of sustainability ratings and second opinions and has the distinction of being the first Registered Observer of ICMA's Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines in ASEAN. It is a member of ICMA's Advisory Council to the GBP and SBP Executive Committee for three consecutive terms. On 12 August 2020, RAM Sustainability became an Approved Verifier for the certification of climate bonds under the Climate Bonds Standard & Certification Scheme after having been awarded the status by the Climate Bonds Standards Board. For further details, please refer to <https://www.ram.com.my/sustainability>.

### About the RAM Group

The RAM Group is a leading provider of independent credit ratings, research, training, risk analysis and bond pricing. Formerly known as Rating Agency Malaysia Berhad, the RAM Group was established in November 1990 as a catalyst for the domestic debt capital market and as the nation's first credit rating agency. On 1 July 2007, its rating operations were novated to RAM Rating Services Berhad (RAM Ratings). RAM Ratings is a wholly owned subsidiary of the RAM Group.

RAM Ratings is the leading and largest credit rating agency in both Malaysia and ASEAN. Established in 1990 by the central bank of Malaysia as part of the "institutional infrastructure" to support the development of Malaysia's bond market, RAM Ratings has rated over USD450 billion of bonds issued by over 750 entities. Its rating portfolio encompasses corporates, sovereign nations, financial institutions, insurance companies, project finance and structured finance obligations.

RAM Ratings is also the world's leading rating agency for securities issued under Islamic principles, or sukuk. RAM Ratings' experience in and contributions to the fast-growing sukuk market has won numerous awards, including Best Rating Agency (South-East Asia 2017) from CPI Financial and Best Islamic Rating Agency in 2016 from Islamic Finance News. On 26 May 2016, RAM Ratings joined the line-up of pioneer credit rating agency signatories to the United Nations-supported Principles for Responsible Investment's Statement on ESG in Credit Ratings. The Statement on ESG in Credit Ratings is a way for RAM Ratings to communicate its commitment to a more systematic and transparent incorporation of ESG into credit ratings and analysis.

RAM Solutions Sdn Bhd, founded in 2016, provides independent credit opinions on ventures listed on a multi-bank, web-based platform known as the Investment Account Platform. As a subsidiary of RAM Holdings, Bond Pricing Agency Malaysia Sdn Bhd is the sole provider of bond-pricing and valuation data on the Malaysian bond market. For further Details, please refer to <https://www.ram.com.my>.





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