

Sunway REIT, OCBC team up for sustainable finance initiative under RM10 bln mtn programme

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KUALA LUMPUR, June 24 -- Sunway Real Estate Investment Trust (Sunway REIT), through a special purpose vehicle (SPV), has mandated OCBC Bank (Malaysia) Bhd (OCBC Bank) as the sustainability structuring coordinator of an unrated medium term notes programme of up to RM10 billion in nominal value.

In a joint statement today, they said the SPV, SunREIT Unrated Bond Bhd, was incorporated for fundraising on behalf of the diversified REIT, which has a portfolio of 18 assets in the Klang Valley, Penang and Perak.

“As part of its role, OCBC Bank will review the alignment of Sunway REIT’s overall sustainability agenda, encompassing its environmental, social and governance (ESG) initiatives in accordance with sustainable financing principles developed by capital market regulators such as the ASEAN Capital Markets Forum and the International Capital Market Association.

“The culmination of these efforts is to facilitate the issuance of debt securities under the existing programme, which will be benchmarked against internationally-recognised sustainable finance standards,” the statement said.

Tan Ai Chin, OCBC Bank managing director, senior banker client coverage and head of investment banking, said together with Sunway REIT, the bank hopes to be able to jointly spearhead further development of the domestic sustainable financing market by introducing market-defining innovative financial instruments such as sustainability-linked bonds.

“This mandate further reinforces OCBC Group’s leadership position in sustainable finance and we are glad to note that OCBC was ranked the top mandated lead arranger in the Bloomberg Asia Pacific Sustainability-Linked Loan league tables in 2020,” she said.

Meanwhile, Sunway REIT Management Sdn Bhd chief executive officer Datuk Jeffrey Ng said sustainability is ingrained into Sunway REIT’s business practices long before sustainable development rose to its current prominence in Malaysia.

“Sustainability practices have since been in Sunway REIT's DNA, conscientiously embedded in our value creation journey to all our stakeholders, supported by our sustainability framework in accordance to the 17 United Nations Sustainable Development Goals.

“Sunway REIT is proud to be the first Malaysian REIT to integrate ESG factors into its capital management strategy and this is expected to further strengthen its ability to access to diverse sources of funds while contributing positively to the development of sustainable finance in the domestic capital market,” he said.

The statement said the formalisation of the mandate between OCBC Bank and Sunway REIT marks a milestone in the Malaysian capital market towards enhancing the effort to mainstream sustainable finance by harmonising corporate ESG initiatives with corresponding sustainable finance principles.

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