

Sunway Reit dives into sustainable financing via RM10bil bonds with OCBC's help

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Sunway Real Estate Investment Trust (Sunway REIT) will undertake its maiden venture into sustainable financing through a RM10 billion bond issuance.

KUALA LUMPUR: Sunway Real Estate Investment Trust (Sunway REIT) will undertake its maiden venture into sustainable financing through a RM10 billion bond issuance.

The issuance of the unrated medium-term notes of up to RM10 billion in nominal value would be carried out by a special purpose vehicle, SunREIT Unrated Bond Bhd (SUB).

SUB has mandated OCBC Bank (Malaysia) Bhd as the sustainability structuring coordinator of the bond issuance.

In a statement today, OCBC said this marked another milestone in the Malaysian capital market towards enhancing the effort to mainstream sustainable finance by harmonising corporate environmental, social and governance (ESG) initiatives with corresponding sustainable finance principles.

OCBC said as part of its role, the bank would review the alignment of Sunway REIT's overall sustainability agenda, encompassing its ESG initiatives.

This will be 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.

"We are honoured to have been given the opportunity to helm Sunway REIT's maiden venture into the sphere of sustainable financing," OCBC managing director, senior banker client coverage and head of investment banking Tan Ai Chin said.

"Together, we hope 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."

Tan said the mandate reinforced OCBC Group's leadership position in sustainable finance.

OCBC is ranked the top mandated lead arranger in the Bloomberg Asia Pacific Sustainability-Linked Loan league tables in 2020.

Sunway REIT Management Sdn Bhd chief executive officer said the proposed issuance of the sustainability-linked bond was expected to strengthen the company's ability to access to diverse sources of funds while contributing to the development of sustainable finance in the domestic capital market.