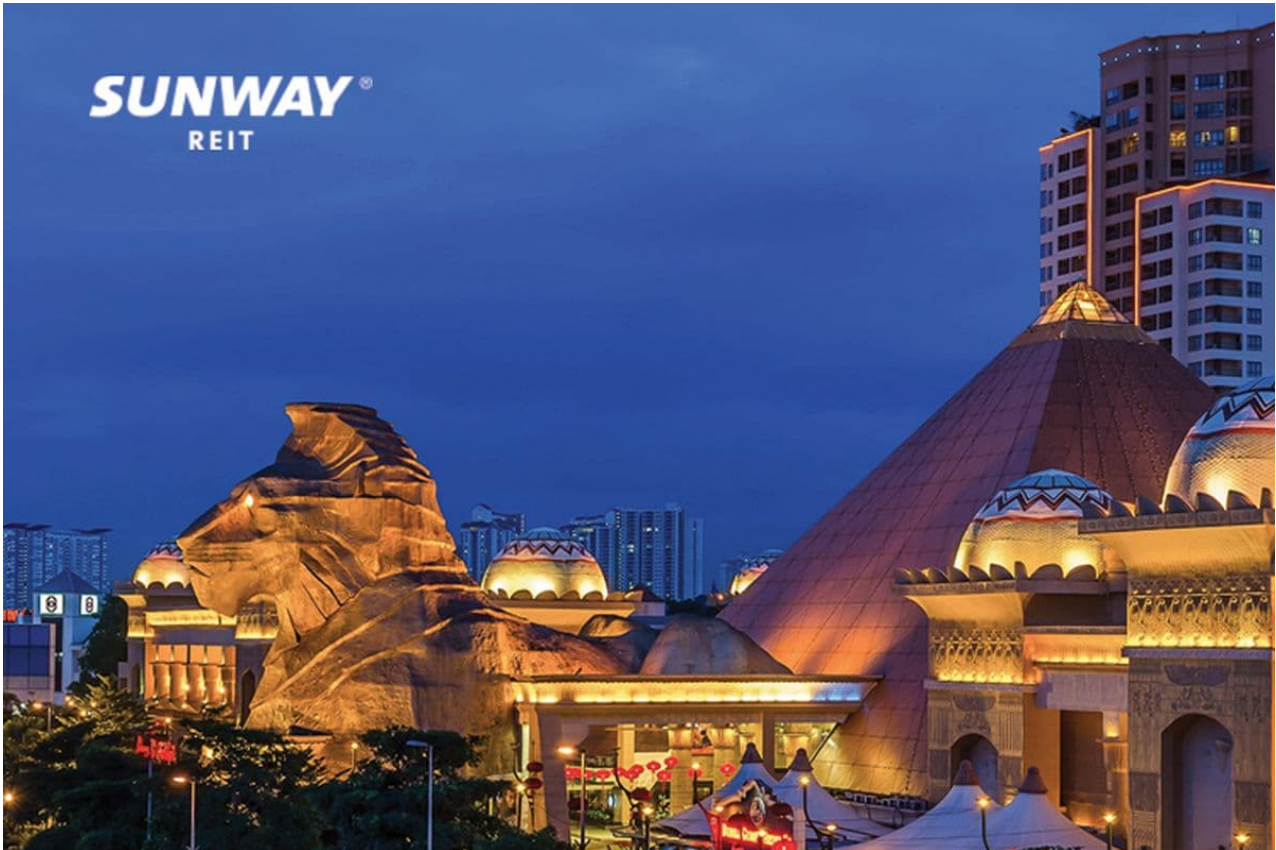


# HSBC Bank, Sunway REIT to execute sustainability-linked RM200 mil cross-currency swap

 [theedgemaalaysia.com/node/672390](https://theedgemaalaysia.com/node/672390)

HSBC Bank, Sunway REIT to execute sustainability-linked RM200 mil cross-currency swap



KUALA LUMPUR (June 23): HSBC Bank Malaysia Bhd and Sunway Real Estate Investment Trust (REIT) have announced a collaboration to execute its first sustainability-linked cross-currency swap (CCS) in Malaysia worth RM200 million.

“The CCS supports the leading local REIT player’s long-term vision for developing a more sustainable business and reinforces the increased focus of the REIT industry on becoming more sustainable,” the two companies said in a joint statement.

The statement noted that “the bespoke CCS offers direct sustainability-related incentives while hedging the currency and interest rate risks of Sunway REIT’s foreign currency loan with HSBC.”

“The CCS’s economic terms are directly linked to two specific sustainability performance targets that are in line with Sunway REIT’s commitment to manage environmental impact.

“This includes the total renewable energy in megawatt-hours generated by all solar photovoltaic systems in Sunway REIT’s properties, the weighted average building energy intensity measured in kilowatt-hour per sq m of the building’s gross floor area per year,”

the companies said.

HSBC Malaysia head of global banking Christina Cheah said by linking the CCS to specific sustainability performance targets, the bank has created a customised structure that includes direct, measurable incentives for the client to achieve its sustainability ambitions.

“The product marks a further step in the development of Malaysia’s sustainable finance market and in Sunway REIT’s ambition to fulfil its environmental, social, and governance (ESG) goals,” she said.

Meanwhile, Sunway REIT chief executive officer Datuk Jeffrey Ng said the collaboration with HSBC for the execution of the sustainability-linked CCS enables the manager to convert more than 90% of Sunway REIT’s borrowings into sustainable finance.

“Importantly, the progressive outcomes ensure positive environmental impact while incentivising Sunway REIT with lower financing costs,” he said.