



**SUNWAY VELOCITY THREE SDN. BHD.  
(FKA TANDA WARISAN SDN. BHD.)**

**Sustainable Finance Framework**

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## 1. Background

### 1.1. Company Profile

SUNWAY VELOCITY THREE SDN. BHD. (FKA TANDA WARISAN SDN. BHD.) (“**SV3**” or “**Company**”) is an established property development company invested by Sunway Berhad (“**Sunway**”) through Sunway City Sdn. Bhd. joint venture with HuatLand Development Sdn Bhd and CRSC Property Sdn Bhd.

SV3 was incorporated on 18 July 2013 under the Companies Act 1965 with the name Tanda Warisan Sdn. Bhd. and changed name to SUNWAY VELOCITY THREE SDN. BHD. on 20 Nov 2023. SV3’s current issued and paid-up share capital is RM250,000 comprising 250,000 ordinary shares.

SV3 is to develop that pieces of commercial leasehold land comprising of 5.5 acres held under [Title H.S.(D) 123369, PT50007 and H.S.(D) 123370, PT50008, Seksyen 90, Bandar and Daerah Kuala Lumpur] which previously under the [Title H.S.(D) 122868, PT50002] (“**Project Land**”) into 3 blocks of serviced apartments with estimated gross development value of RM1.2billion.

SV3’s holding company, Sunway, is one of Southeast Asia’s leading conglomerates and the parent company of the Sunway Group of companies, with diverse businesses in more than 50 locations worldwide. Supported by 11,388 employees, Sunway’s market capitalisation was RM7.9 billion as of 31 December 2022 and the Sunway Group (being Sunway and its subsidiaries) is recognised as one of the top 100 companies listed on Bursa Malaysia Securities Berhad.

The very birth of Sunway Group in 1974 was founded on the concept of sustainable development. Based in Sunway City Kuala Lumpur, Malaysia, the Sunway Group has developed a diverse portfolio encompassing property development, property investment and REIT, building materials, trading and manufacturing, leisure, construction, hospitality, healthcare and quarry, among others. The Sunway Group owns approximately RM11.8 billion in assets under the management of its property investment and REIT divisions and has provided over 33,000 residential and commercial units to the communities in its integrated developments throughout Malaysia, as well as in stand-alone developments in China, Australia and Singapore.

Sunway owns two public-listed companies – Sunway Construction Group Berhad and Sunway Real Estate Investment Trust (“Sunway REIT”). The Sunway Group has 54.6% ownership of Sunway Construction Group Berhad, one of the most prominent construction companies in Malaysia, and owns 40.9% of Sunway REIT, the second-largest Real Estate Investment Trust in Malaysia. Together with Sunway Group, the market capitalisation for these companies, including Sunway Berhad, was over RM14.9 billion as of 31 December 2022.

Sunway’s leisure and hospitality divisions include 12 hotels and resorts comprising more than 3,700 guestrooms, suites and villas in Malaysia, Cambodia and Vietnam. Sunway also owns

and operates two multiple-award-winning theme parks in Malaysia, namely Sunway Lagoon Theme Park in Sunway City Kuala Lumpur and Sunway Lost World of Tambun in Sunway City Ipoh, Perak which collectively span over 120 acres and offer more than 100 exciting attractions.

Sunway pledges its commitment to achieving the 17 UN-SDGs by 2030 and ensures all business divisions are aligned with its Environmental, Social and Governance (“ESG”) targets to generate long-term value creation and create a sustainable future for all.

Sunway Group’s sustainability journey continues to receive due recognition from the investment community. Key highlights of the sustainability achievement and commitment include:

- Top 10% percentile of its Industry Classification Benchmark (“ICB”) Supersector that has been assessed by FTSE Russell; and
- One of the first few public-listed companies in Malaysia to commit to setting near-term science-based emissions reduction targets in line with the Science Based Targets (“SBTi”) criteria and recommendations.

## **2. Sustainability at SV3**

### **2.1. Sunway Group 2030 Goals**

The UNSDGs and Malaysia’s Shared Prosperity Vision 2030 (SPV2030) are agendas that the Sunway Group is fully committed to. The Sunway Group aspire to be Asia’s model corporation in sustainable development. Looking ahead, the Sunway Group intend to continue growing shareholder value meaningfully and responsibly – by actively contributing to the local communities, harnessing environmentally sustainable technology, and pursuing growth areas that leverage the strengths of Sunway Group. Sunway aims to achieve net zero carbon emissions by 2050 in our aspiration to build a sustainable future

SV3’s sustainability strategy and commitments are driven by the sustainability strategy and initiatives mandated by Sunway Group which are anchored on a set of five goals complete with key targets to benchmark against their yearly performance:

- Goal 1: Transforming portfolios to low carbon sustainable cities
- Goal 2: Advocating a responsible value chain
- Goal 3: Developing a safe, equal and dignified workforce
- Goal 4: Investing in community inclusivity
- Goal 5: Respecting ethical principles

All the above goals are aligned with the 17 United Nations Sustainable Development Goals (“**UNSDGs**”) which Sunway Group aims to achieve by 2030. Sunway Group is also committed to achieve its Net Zero Carbon Emissions Goal by 2050 in line with the 12th Malaysia Plan.

### **2.2. Green Building Policy**

Sunway is committed to ensuring all new developments completed from 2025 onwards are green-certified. The Group defines green buildings as developments that focus on boosting resource efficiency, while reducing building impact on human health and the environment during the buildings' life cycle through better design, construction, operation and maintenance. Established in 2021, Sunway's Green Building Policy outlines the key requirements that are essential to the development of green townships and buildings. The Policy ensures that the Sunway Group will integrate sustainable practices into the development, operations and management of townships and buildings. The Policy also underscores the Group's commitment to design and produce built environments that facilitate healthy lifestyles and prioritise the well-being of the stakeholders.

The current development is within the vicinity of Sunway Velocity and Velocity Two developed by Sunway. Once completed, it will be accessible to the surrounding integrated development of service residences, offices, retail shops, mall, and hospital via link bridge. Besides, being in the vicinity of the Mass Rapid Transit ("MRT") and the Light Rail Transit ("LRT") stations connects the development to other parts of the Kuala Lumpur City Centre. This provides walkability and low-carbon mobility options with more options created to allow integrated city living and a self-sustained integrated development.

The development is being designed to consider energy efficiency with passive and active design controls which includes the building thermal envelop, energy efficient equipment and ventilation. The development will incorporate renewable energy generation with the installation of solar panels powering common areas of the development. Besides also, supporting Electric Vehicle ("EV") utilisation in its development. The development will be equipped with facilities to promote water efficiency with water efficient fittings and rain water harvesting system for landscape irrigation. The development would also be designed with green areas to reduce the heat island effect.

Sunway has also other green certified buildings in the surrounding Sunway Velocity Two development which includes service residences of Sunway Velocity Two Plot A (Tower A and B), Plot B (Tower C and D) and Corporate Office. All three projects were designed with considerations of energy and water efficiency, greenery and reducing indoor air pollutants. Sunway has also developed other developments accredited with green certification as covered in Section 2.3. In line with the Sunway Group's Policy, developing all new buildings completed in 2025 onwards to be green-certified with considerations made during the planning and designing of the project.

## 2.3. Green Building Certification Accreditation

The listing below are developments of Sunway with Green Certification Accreditation<sup>1</sup>:

### Certified Green Townships and Buildings

CENTRAL		
Type	Property	Green Certification
<b>Township</b>	Sunway City Kuala Lumpur	GBI - Silver (Provisional Cert)
	Sunway Nexis - SOHO	GreenMark - Gold (Provisional Cert)
<b>Residential (Built)</b>	Sunway Rymba Hills	GreenMark - Gold (Provisional Cert)
	Sunway SPK 3 Harmoni	GreenMark - Gold
	Sunway Palazzo	GreenMark - Gold
	Sunway GEOLake Residence	GreenRE - Gold
	Sunway Flora, Bukit Jalil	GreenRE - Platinum (Provisional Cert)
	Sunway Velocity Two - Plot A (Tower A & B)	GreenRE - Gold (Provisional Cert)
	Sunway Velocity Two - Plot B (Tower C & D)	GreenRE - Gold (Provisional Cert)
<b>Residential (New or Upcoming)</b>	Sunway Avila, Wangsa Maju	GreenRE - Gold (Provisional Cert)
	Sunway Serene	GreenRE - Gold (Provisional Cert)
	Sunway Belfield	GreenRE - Platinum (Provisional Cert)
	Sunway D'Hill	GreenRE - Gold (Provisional Cert)
	Sunway Alishan	GreenRE - Gold (Provisional Cert)
	Sunway Artessa, Wangsa Maju	GreenRE - Gold (Provisional Cert)
	Sunway Jernih Residence, Kajang	GreenRE - Bronze (Provisional Cert)
	Sunway Geo Tower	GreenRE - Bronze (Provisional Cert)
	Sunway Vivaldi - Clubhouse	GreenMark - Certified (Provisional Cert)
	Sunway Lagoon Hotel (previously known as Sunway Clio Hotel)	GreenMark - Gold (Provisional Cert)
<b>Non-Residential (Existing)</b>	(Sunway Pyramid Phase 3)	GBI - Certified (Design Assessment)
	Sunway Pinnacle	GBI - Certified (CVA Cert)
	Sunway Visio Tower	GreenMark - Gold
	Sunway Resort Hotel (Renovation)	GreenRE - Silver
	Sunway International School @ USJ1	GreenRE - Gold
<b>Non-Residential (New or Upcoming)</b>	Sunway Velocity TWO - Corporate Office	GreenRE - Platinum (Provisional Cert)
	Sunway South Quay Square - Office Tower 1	LEED - Gold
	Sunway South Quay Square - Office Tower 2	LEED - Gold
	Sunway Medical Centre Velocity (Phase 2)	GreenRE - Silver (Provisional Cert)

Note: CVA refers to Completion and Verification Assessment.

SOUTHERN		
Type	Property	Green Certification
<b>Township</b>	Sunway City Iskandar Puteri	GBI - Silver (Provisional Cert)
<b>Residential (New or Upcoming)</b>	Sunway GRID Residence	GreenRE - Gold (Provisional Cert)
	Sunway Lenang Heights	GreenRE - Silver (Provisional Cert)
<b>Non-Residential (Existing)</b>	Sunway Citrine Hub	GreenRE - Bronze (Provisional Cert)
	Sunway Southern Region Office	GBI - Certified (CVA Cert)
<b>Non-Residential (New or Upcoming)</b>	Sunway Grid Hub	GreenRE - Silver (Provisional Cert)
	SJK (C) Cheah Fah	GreenRE - Platinum (Provisional Cert)

NORTHERN		
Type	Property	Green Certification
<b>Residential (Built)</b>	Sunway MontBleu (Ipoh)	GreenMark - Gold (Provisional Cert)
<b>Residential (New or Upcoming)</b>	Sunway Onsen Suites	GreenRE - Gold (Provisional Cert)
	Sunway Dora	GreenRE - Bronze (Provisional Cert)
<b>Non-Residential (Existing)</b>	Sunway Property @ Anson Road	GBI - Gold (Provisional Cert)
	Sunway Carnival Mall (Expansion)	GreenMark - Gold Plus (Provisional Cert)
		GreenRE - Gold (Provisional Cert)

## 3. Sustainable Finance Framework

This Sustainable Finance Framework (“**Framework**”) has been developed to demonstrate how SV3 intends to fund projects that will deliver environmental and social benefits, which contribute and/or complement Sunway Group 2030 Goals.

The Framework will guide future fundraising through sustainable debt instruments (“Sustainable Finance Transactions”), including green/social/sustainability sukuk and green/social loans/financing with structures tailored to finance Eligible Projects as defined in this Framework to address SV3 and Sunway’s sustainability initiatives.

The Framework adopts the following guidelines or frameworks or standards, as amended, revised and/or supplemented from time to time:

<sup>1</sup> The Green Certification Accreditation listed are as published in the Sunway Berhad Sustainability Report 2022.

- (i) The Green Bond Principles 2021<sup>2</sup>, Social Bond Principles 2021<sup>3</sup> and Sustainability Bond Guidelines 2021<sup>4</sup> published by the International Capital Market Association;
- (ii) The Green Loan Principles 2023<sup>5</sup> and Social Loan Principles 2023<sup>6</sup> published by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications and Trading Association;
- (iii) The ASEAN Green Bond Standards<sup>7</sup> updated in October 2018, ASEAN Social Bond Standards<sup>8</sup> dated October 2018 and ASEAN Sustainability Bond Standards<sup>9</sup> dated October 2018 published by the ASEAN Capital Markets Forum; and
- (iv) The Sustainable and Responsible Investment Sukuk framework<sup>10</sup> under the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the Securities Commission Malaysia on 9 March 2015 effective on 15 June 2015 and revised on 28 November 2022.

The Framework is presented through the following key pillars:

- (i) Use of Proceeds;
- (ii) Process for Project Evaluation and Selection;
- (iii) Management of Proceeds;
- (iv) Reporting; and
- (v) External Reviews.

The Framework will be in force as long as there is outstanding financing under this Framework. SV3 may update this Framework and commits that any new version will keep or improve the current level of transparency and reporting.

The Framework will be made available on <https://www.sunway.com.my/> .

### 3.1. Use of Proceeds

The proceeds from the Sustainable Finance Transaction (“Sustainable Finance Proceeds”) will be used to finance and/or re-finance, in whole or in part, the new or existing projects that comply with any of the following eligible criteria as outlined in Table 1 (“**Eligible Projects**”).

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<sup>2</sup> [https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Green-Bond-Principles\\_June-2022-280622.pdf](https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Green-Bond-Principles_June-2022-280622.pdf)

<sup>3</sup> [https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Social-Bond-Principles\\_June-2022-280622.pdf](https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Social-Bond-Principles_June-2022-280622.pdf)

<sup>4</sup> <https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Sustainability-Bond-Guidelines-June-2021-140621.pdf>

<sup>5</sup> <https://www.lsta.org/content/green-loan-principles/>

<sup>6</sup> <https://www.lsta.org/content/social-loan-principles-slp/>

<sup>7</sup> <https://www.theacmf.org/images/downloads/pdf/AGBS2018.pdf>


<sup>8</sup> <https://www.theacmf.org/images/downloads/pdf/ASBS2018.pdf>

<sup>9</sup> <https://www.theacmf.org/images/downloads/pdf/ASUS2018.pdf>





<sup>10</sup> [https://www.sc.com.my/api/documentms/download.ashx?id=84491531-2b7e-4362-bafb-83bb33b07416#:~:text=The%20Securities%20Commission%20Malaysia%20\(SC,for%20SRI%20investors%20and%20issuers.](https://www.sc.com.my/api/documentms/download.ashx?id=84491531-2b7e-4362-bafb-83bb33b07416#:~:text=The%20Securities%20Commission%20Malaysia%20(SC,for%20SRI%20investors%20and%20issuers.)

For the avoidance of doubt, any proceeds from each Sustainable Financing Transactions may be used by SV3 and the Sunway Group for working capital requirements, general corporate purposes, refinancing of existing debt concerning the Eligible Projects, fees and expenses in relation to each Sustainable Finance Transactions and/or inter-company advances to Sunway and the subsidiaries within the Sunway Group related to the Eligible Projects, so long as the proceeds are not used to fund new or existing assets, businesses, projects and/or products falling outside the Eligible Projects.

**Table 1: Eligible Criteria for Use of Proceeds**

Eligible Projects/ Categories	Description	Direct Contribution to SDG Mapping
Green Building	<p>Development of green building to be certified by a third party in accordance with any one or more of the following green building standards:</p> <ul style="list-style-type: none"> <li>• GreenRE (Gold or above);</li> <li>• GBI (Gold or above); and</li> <li>• LEED (Gold or above)</li> </ul> <p>or any other equivalent certification</p> <p>Including features, designs and materials that allows resources to be efficiently utilised.</p>	



Eligible Projects/ Categories	Description	Direct Contribution to SDG Mapping
Renewable Energy	Optimising use of renewable energy via on-site energy generation and other methods where applicable.	   

The Use of Proceeds for the Eligible Projects may include disbursements to the such projects 5 years prior to the issuance or signing date of each tranche of the respective Sustainable Finance and for the duration of their life.<sup>11</sup>

The Sustainable Finance Proceeds are excluded from financing projects or activities related to the following industries (“**Exclusion List**”):

- (a) Luxury sectors (precious metals / precious minerals / artworks and antiques wholesale or brokerage);
- (b) Child labour or forced labour;
- (c) Gambling;
- (d) Adult entertainment;
- (e) Weapons and military contracting;
- (f) Alcohol;
- (g) Tobacco;
- (h) Fossil-fuel related activities (including extraction, exploration, production, power generation or transport of fossil fuels);
- (i) Nuclear energy;
- (j) Production or trade in any product or activity deemed illegal under international conventions and agreements, or subject to international bans;
- (k) Pork products sector; and
- (l) Large-scale hydro-power projects with a generating capacity of over 25 megawatts.

<sup>11</sup> For avoidance of doubt, such expenditure could be related to projects which were kicked off in or after 2019. If the disbursement to such projects fall within the 5 years look back period, it is deemed as Eligible Expenditure.

The unallocated Sustainable Finance Proceeds may be used for SV3 or its subsidiaries or related companies' future development which shall fall within the Eligible Projects, and are excluded from financing projects or activities in the Exclusion List.

### **3.2. Project Evaluation and Selection**

The strategic direction for sustainability at SV3 is guided by the policies set by Sunway - Property Development Division for implementation of any sustainability exercise, which includes approval for the Eligible Projects to be funded by the proceeds from the Sustainable Finance Transactions under this Framework.

The step-by-step process for evaluation and selection of Eligible Projects is as follows:

- (a) Design projects with sustainability strategies and features incorporating input by project matrix team, to ensure alignment with sustainability initiatives and commitments driven by Sunway Group;
- (b) Review and validation of the proposed assets in accordance with the guiding principles for selection of Eligible Projects for the Use of Proceeds;
- (c) Evaluate the proposed Eligible Projects against the SV3's Sustainable Finance Framework;
- (d) Submit recommendation to Sunway Property Division Management for approval on the selection of the Eligible Projects based on the proposal from the project matrix team; and
- (e) Monitor the Eligible Projects portfolio during the life of the transaction, if applicable. SV3 can decide to replace an Eligible Projects if it no longer meets the eligibility criteria by going through steps (b) to (c) above.

### **3.3. Management of Proceeds**

The Sustainable Finance Proceeds shall be allocated to the Eligible Projects selected as per the evaluation and approval process set out above. SV3 will track the Sustainable Finance Proceeds and monitor the allocation of the Sustainability Financing Proceeds internally. The Sustainable Finance Proceeds may be credited into the relevant designated accounts as required under the terms of the Sustainable Finance Transactions, where applicable, which will be monitored and tracked by SV3.

During the life of the Sustainable Finance Transactions, if any assets of the Eligible Projects ("**Eligible Assets**") cease to comply with the Framework, SV3 will identify other assets that comply with the framework for approval by the Sunway Property Division Management and upon approval, allocate the proceeds to the newly identified Eligible Assets as soon as is practicable. Where the aggregate amount of the newly identified Eligible Assets is less than the total outstanding amount of the Sustainable Finance Proceeds, SV3 may hold the balance unallocated amount in cash, cash equivalents and/or invest in other liquid marketable

instruments in accordance with the SV3's liquidity policy until the amount can be allocated to new Eligible Assets.

For Sustainable Finance Proceeds allocated for the purpose of refinancing of operating projects, in which case the projects' costs were fully disbursed in the past, no separate management of proceeds is required. SV3 is committed to perform the same evaluation in accordance with the Framework for the selection of the Eligible Assets in respect of the already invested capital in order to ensure the proceeds are utilised in accordance with the Framework.

### **3.4. Reporting**

The allocation and impact reporting will be published annually until the maturity of the Sustainable Finance Transactions and such reporting will be made available on <https://www.sunway.com.my/>.

#### **(a) Allocation Reporting**

The allocation report section of the Sustainable Finance Report will include, among others:

- List of the Eligible Projects/Eligible Assets together with a brief description, to which proceeds of the Sustainable Finance Transactions have been allocated to;
- Aggregate amount of proceeds allocated and utilised for the Eligible Projects/Eligible Assets, with summary on the assets allocated including the purpose, location and status of the Eligible Projects/Eligible Assets;
- Remaining balance of the unallocated proceeds at the end of the reporting period and where such unutilised amount is placed or invested pending utilisation;
- Removal or substitution of Eligible Projects/Eligible Assets; and
- Confirmation that the Use of Proceeds from the Sustainable Finance Transactions conforms to this Framework.

#### **(b) Impact Reporting**

Where possible, SV3 will report on the environmental and social impacts associated with the Eligible Projects/Eligible Assets funded with the proceeds from the Sustainable Finance Transactions, including information on the methodology and assumptions used to determine the impact or expected impact. Subject to the nature of Eligible Projects/Eligible Assets and availability of information, SV3 aims to include under the impact report section of the Sustainable Finance Report, but not limited to, the following impact indicators:

**Table 2: Indicative Impact Reporting Criteria**

Eligible Projects/ Categories	Indicative Reporting Criteria
Green Building	<ul style="list-style-type: none"><li>• Green Building Certification</li><li>• Other relevant information</li></ul>
Renewable Energy	<ul style="list-style-type: none"><li>• “Estimated” renewable energy generation (MWh)</li><li>• Annual GHG emissions reduced/avoided (tonnes of CO2e)</li></ul>

SV3 will comply with the relevant environmental, social and governance standards or recognised best practices relating to the Eligible Projects/Eligible Assets.

#### **4. External Review**

##### **4.1. Pre-issuance External Review**

SV3 will obtain an independent external reviewer to provide the second opinion on this Framework prior to its issuance.

##### **4.2. Post-issuance Verification/ External Review**

External verifiers may be engaged to verify SV3’s use of proceeds and reporting as described in the sections above and such external verifiers’s report will be made available on the designated website, or sustainability report or provided to its financiers/noteholders upon request.