



ESG IN REAL ESTATE ISSUE 101

Sime Darby Green Sukuk Accelerates Digital Infrastructure Investment And Sustainable Growth



Sime Darby Property's New Economy Venture platform has established a green sukuk programme of up to RM2.6 billion to finance build to suit to lease data centres, together with industrial and logistics assets. The proceeds will partly fund the development of hyperscale data centres at Elmina Business Park, where Sime Darby Property will design, construct and complete the project by 2027. In addition, part of the financing will support a build to suit distribution warehouse with advanced automated storage and retrieval systems in the City of Elmina.

Described as the world's first green sukuk issued for a data centre, the programme aligns with Malaysia's expanding digital economy while reinforcing Sime Darby Property's position as a developer of large scale digital infrastructure for multinational technology companies. The initiative also supports the group's strategy to expand recurring income through long term leased assets and innovative funding structures.

The sukuk programme is backed by a consortium of financial institutions. Maybank Investment Bank is the principal adviser, lead arranger and facility agent, while Maybank Investment Bank and OCBC Al Amin Bank serve as joint lead managers. The Credit Guarantee and Investment Facility acts as financial guarantor, supported by the Asian Development Bank and other advisers, providing a strong financing and sustainability framework for the landmark issuance.

AirTrunk Secures Landmark Green Loan For Johor Data Centre Expansion



AirTrunk, owned by Blackstone Inc, has secured a US\$2.3 billion (RM9.41 billion) green loan from 30 lenders to finance its JHB2 hyperscale data centre in Johor, marking the company's largest financing for a single asset. The syndicated facility is led by 10 global coordinators, including Crédit Agricole CIB, DBS Bank, HSBC, Sumitomo Mitsui Banking Corporation and United Overseas Bank. The financing reflects continued investor confidence in Malaysia's expanding digital infrastructure despite a softer regional syndicated loan market.

The JHB2 facility qualifies for green financing through its strong energy and water efficiency standards. AirTrunk targets a power usage effectiveness ratio of 1.37, below the global average, while advanced water efficient cooling technology will further improve operational sustainability. In addition, the company expects the green loan to generate margin savings that will support its social impact programme in Malaysia, reinforcing the wider benefits of sustainable financing.

Meanwhile, the rapid expansion of artificial intelligence continues to drive large scale data centre investment across Asia Pacific. AirTrunk is also pursuing additional funding initiatives, including a A\$4.3 billion loan for a new Australian data centre, asset backed bond refinancing and a potential Singapore real estate investment trust listing. Together, these initiatives strengthen the company's long term growth strategy and funding flexibility.

OCBC Financing Strengthens Malaysia Grid Scale Battery Storage Growth And Energy Transition



OCBC Bank (Malaysia) Bhd has committed RM325 million to finance a utility scale Battery Energy Storage System (BESS) project under the government's Battery Energy Storage (MyBeST) programme, reinforcing support for Malaysia's clean energy infrastructure. The financing will back a 100MW/400MWh BESS facility developed by ESS Bahau Sdn Bhd, a unit of ERS Energy Sdn Bhd. The company was among four successful bidders selected by the Energy Commission through MyBeST, Malaysia's first competitive bidding programme for grid scale battery storage. OCBC will serve as the mandated lead arranger and facility agent, with commercial operations targeted for July 2027.

The financing package covers project funding for the BESS facility and working capital for engineering, procurement, construction and commissioning activities. OCBC said the investment reflects its commitment to advancing Malaysia's energy transition through critical infrastructure. Meanwhile, ERS Energy described the financial close as a key milestone that will strengthen grid reliability and support greater renewable energy integration.

The project supports the National Energy Transition Roadmap, which targets renewable energy capacity of 70 per cent by 2050. As of Dec 31, 2025, OCBC had extended more than RM12 billion in green, social and sustainability linked loans. Furthermore, with battery storage becoming increasingly important for initiatives such as Large Scale Solar 6 and the Corporate Renewable Energy Supply Scheme, the bank is well positioned to support growing demand for energy storage solutions across Malaysia.

Anwar Calls For Massive Investment To Accelerate Asean Energy Transition



Asean will require substantial long term investment to accelerate its energy transition, as financing needs extend beyond the capacity of national governments. Capital is needed to develop solar farms, modernise electricity grids, deploy battery storage and strengthen workforce capabilities. Achieving these goals will require closer collaboration between the public sector, private investors and project developers to mobilise sustainable funding. At the same time, the shift towards renewable energy is expected to strengthen regional energy security while enhancing long term economic competitiveness.

Regional cooperation will remain central to this transition. Greater engagement with China and other partners through initiatives such as the Asean Power Grid is expected to support cleaner and more resilient energy systems. In addition, a balanced energy mix, including renewable and nuclear energy, could contribute to the Asean Plan of Action for Energy Cooperation while supporting rising regional electricity demand.

The Greater Bay Area Asean Conference on Energy Transition and Integration highlighted Malaysia's role in connecting Southeast Asia with China's Greater Bay Area. Backed by the newly launched Asean Chamber of Commerce in Hong Kong, the collaboration combines Malaysia's RM4.3 trillion financial market and leadership in green sukuk with the Greater Bay Area's technological capabilities. Meanwhile, the Regional Connectivity Fund for Energy and the successful Laos Thailand Malaysia Singapore Power Integration Project further demonstrate the growing potential for cross border clean electricity trade and regional energy integration.

Malaysia And Cambridge Develop Green Building Standard To Strengthen Global Recognition



Malaysia is developing an internationally recognised green building certification through a strategic partnership with the University of Cambridge, aiming to establish a globally recognised benchmark for sustainable buildings. The new standard is expected to enhance the international standing of Malaysian developments while enabling developers in Malaysia and abroad to adopt the certification when seeking more favourable ESG related financing. The initiative also aims to strengthen investor confidence and improve the competitiveness of the country's property sector.

The certification is being developed under the proposed UK Cambridge Malaysia Urban Platform, combining international expertise with Malaysia's urban development experience. According to the Housing and Local Government Ministry, developers adopting the standard could gain stronger global recognition while increasing confidence among homebuyers and investors. Malaysia currently has about 800 million sq ft of green certified buildings, reflecting growing sustainability adoption across the built environment.

Meanwhile, sustainability will continue to shape future housing development. All upcoming Program Residensi Rakyat projects will incorporate renewable energy systems, rainwater harvesting facilities and other environmentally friendly features. As demand for sustainable homes continues to rise, the initiative forms part of broader housing reforms to create greener communities while reinforcing Malaysia's position as a regional leader in sustainable property development.

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Malaysia Shows Resilience As Global Energy Market Volatility Intensifies



Malaysia and China are emerging as among Asia's more resilient economies as global energy market volatility intensifies amid ongoing geopolitical disruptions, according to JPMorgan. The bank noted that Malaysia's position as an energy exporter, together with its disciplined fiscal management and moderate inflation, provides a stronger buffer against external shocks than many regional peers. These strengths continue to support both the country's equity market performance and currency stability despite heightened uncertainty in global markets.

China also remains relatively resilient due to its limited reliance on imported electricity, with most power generated domestically. In addition, the country maintains substantial strategic reserves and can increase alternative energy production, including coal and renewable sources, when required. Together, these factors enhance energy security and reduce exposure to external supply disruptions.

Nevertheless, JPMorgan cautioned that prolonged disruptions to global oil and gas supply chains could weigh on economic growth if infrastructure damage and logistical constraints persist. While energy sensitive sectors are expected to face the earliest impact, sustained volatility could eventually affect financials, technology, telecommunications and healthcare. For now, however, markets continue to price a manageable rather than worst case scenario, reflecting cautious but resilient investor sentiment.

Malaysia Achieves 32% Renewable Energy Target Ahead Of 2030



Malaysia's renewable energy installed capacity reached nearly 32 per cent as of June, placing the country on track to achieve its target of 35 per cent by 2030 after reaching 31 per cent by the end of 2025. The progress reflects continued implementation of the National Energy Transition Roadmap, which also targets renewable energy capacity of 70 per cent by 2050. The transition supports stronger energy security, economic resilience, investment attraction and long term sustainability while expanding access to competitive green electricity.

The launch of the Large Scale Solar 5 project in Pasir Mas highlights growing investor confidence in Malaysia's energy policies and the collaboration between government and the private sector. Beyond strengthening national electricity supply, the project is expected to create employment, stimulate local economic activity, support related industries and generate wider benefits for surrounding communities, reinforcing the country's low carbon development agenda.

Kelantan is also well positioned to expand renewable energy capacity through its strong solar potential, supported by suitable land availability, state support and active private sector participation. In addition, the Solar Atap Programme encourages wider rooftop solar adoption among residential, commercial and community buildings. Together, these initiatives are expected to strengthen Kelantan's position as a sustainable investment destination while attracting more high value green investments.

Malaysia Tightens Data Centre Assessments To Safeguard Energy Security And Growth



Malaysia will continue applying a stringent assessment process for every new data centre application to ensure electricity and water supplies remain sufficient for households and industries. Through the Data Centre Task Force, each proposal is evaluated based on investment requirements, project capacity and other key considerations before approval is granted. The approach aims to support continued digital infrastructure investment while safeguarding national energy security and maintaining a balanced allocation of essential resources.

In addition to strengthening project assessments, the government is using the New Incentive Framework to encourage multinational companies to introduce high impact technologies while developing local vendors, particularly in rural and less developed areas. This strategy seeks to attract quality investments that generate broader economic value while strengthening domestic industrial capabilities and supply chains.

The government is also expanding matching programmes that connect multinational corporations with local companies, enabling small and medium enterprises to participate as suppliers. Furthermore, businesses are encouraged to source at least 40 per cent local content through the Malaysia Certificate of Origin. Together, these measures are expected to increase the spillover benefits of investments in data centres, artificial intelligence, semiconductors and biotechnology while supporting sustainable industrial growth.

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Yinson GreenTech Expands chargEV Network To Support Rising Electric Vehicle Adoption

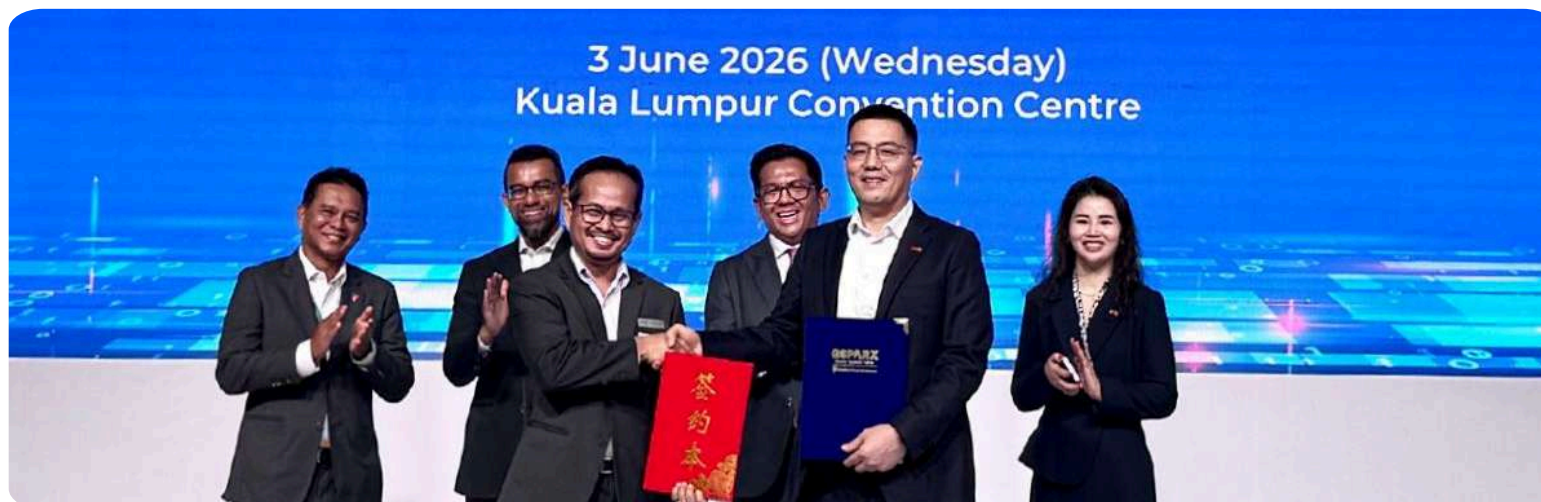


Yinson GreenTech plans to expand its chargEV network by more than 30 per cent to 850 charging points by the end of 2026, strengthening Malaysia's electric vehicle charging infrastructure. The expansion follows the launch of the upgraded chargEV 2.0 mobile application and comes after the company surpassed one million charging sessions since acquiring the business in 2022. Currently operating 645 charging points across 13 states, the company plans to add more than 200 charging points this year, expand into a 14th state and increase roaming partnerships from six to eight.

The expansion strategy focuses on highways, office buildings and underserved locations across Peninsular Malaysia to improve accessibility and support growing electric vehicle adoption. New charging sites have already been deployed in several towns while the company continues expanding at high traffic destinations. In addition, Yinson GreenTech is exploring opportunities to extend its charging network into East Malaysia.

Highway charging remains a key priority to improve long distance travel convenience. Through its Terra chargEV joint venture with PLUS Malaysia, the company plans to open an electric vehicle charging hub at the Seremban southbound rest area by the second quarter of 2027 while working with other highway concessionaires to strengthen nationwide coverage. Meanwhile, the new chargEV 2.0 application introduces enhanced navigation, live charging updates, one click charging and improved trip planning to deliver a better user experience.

EVE Energy And GSPARX Advance Malaysia Largest Solar Storage Project Together



EVE Energy and Tenaga Nasional Berhad's subsidiary GSPARX have formed a strategic partnership to develop large scale photovoltaic and battery energy storage system projects in Malaysia, supporting the country's energy transition and low carbon ambitions. EVE Energy's Mr. Big Family series will power Malaysia's largest solar and battery storage project, while the collaboration also marks GSPARX's largest rooftop solar project with a total capacity of 40MWp. Phase One, comprising 25MWp, is scheduled to begin operations by October 2026, with GSPARX leading installation and EVE Energy serving as the hybrid engineering, procurement, construction and commissioning partner.

Within the first year of operations, the project is expected to generate about RM14 million in electricity cost savings while avoiding an estimated 18,637 tonnes of carbon dioxide emissions. Phase Two will add another 15MWp, further increasing renewable energy generation, enhancing grid flexibility and strengthening Malaysia's energy resilience. The partnership also reinforces confidence in EVE Energy's technology, manufacturing capabilities and local service network.

Established in Malaysia in 2023, EVE Energy operates the country's only local battery energy storage system cell manufacturing facility in Kulim. Following its RM6.8 billion expansion launched in early 2026, the company is increasing production of large batteries for solar and energy storage. Supported by advanced automated manufacturing and artificial intelligence, EVE Energy aims to strengthen local integration while advancing sustainable energy solutions across Southeast Asia.

Sabah Targets 8.5% Energy Consumption Reduction By 2036 Through Efficiency Plan



Sabah has launched a 10 year Energy Efficiency Action Plan targeting an 8.5% reduction in energy consumption by 2036, measured against projected demand without the plan. Introduced under the Sabah Energy Roadmap and Master Plan 2040, the initiative aims to improve energy efficiency while supporting the state's long term energy transition. The launch also introduced the Solar Rakyat Sabah programme and a RM4 million Solar Rakyat Sabah Incentive Rebate Scheme to encourage greater rooftop solar adoption among domestic consumers and expand renewable energy use.

Funded through the Akaun Amanah Industri Bekalan Elektrik Sabah, the initiatives reflect a broader strategy covering policy, technology, human capital development, community wellbeing and strategic collaboration. The Energy Commission of Sabah said achieving a more sustainable energy system requires coordinated participation across the public and private sectors to strengthen the state's energy ecosystem while supporting economic development.

The event also highlighted several renewable energy initiatives, including the Government Lead by Example programme and the largest SELCO PV Sabah 2.0 installation at Universiti Malaysia Sabah. In addition, the Energy Commission of Sabah signed a memorandum of understanding with Institut Keusahawanan Negara to strengthen technical and vocational entrepreneurship and develop skilled talent for the energy sector. Together, these initiatives reinforce Sabah's commitment to building a more sustainable and resilient energy future.

Zecon Secures RM328 Million Contract For Sarawak Agrivoltaics Solar Project



Zecon Bhd has secured a RM328 million engineering, procurement, construction and commissioning contract to develop a 100MWac agrivoltaics solar photovoltaic facility at the Kota Petra Green Technology Park in Sarawak. Awarded to its wholly owned subsidiary Zecon Renewables Sdn Bhd by sister company Zecon Renewables (Sarawak) Sdn Bhd, the project includes construction of the solar plant, grid connection facilities, a proposed 130 metre bridge across the Serai River, as well as supporting site infrastructure and earthworks.

Zecon Renewables (Sarawak), the project's independent power producer, holds a 30 year electricity licence and signed a 30 year power purchase agreement with Syarikat SESCO in October 2025. Under the agreement, the company will design, build, own, operate and maintain the solar facility, with commercial operations expected to commence by the end of 2027. The project represents the first phase of the renewable energy development planned for the technology park.

In addition, the group holds another 30 year electricity licence supporting a further 300MWac of solar capacity. This additional capacity is intended to supply renewable electricity directly to future industrial tenants, supported by a battery energy storage system and the state grid. Together, the initial contracted project and future expansion provide recurring revenue visibility while supporting long term industrial growth and renewable energy development in Sarawak.