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HSBC Malaysia seals sustainable financing deal with Kelington Group in its maiden venture into liquefied carbon dioxide (LCO2) manufacturing

HSBC supports the Malaysian company's project via a MYR25 million term loan

HSBC Malaysia is delighted to support Kelington Group's (Kelington) maiden venture into the manufacturing of liquefied carbon dioxide (LCO2) via a sustainable financing deal. The Bank provided Kelington with a MYR25 million term loan to partly fund the construction of its LCO2 plant.

Kelington provides ultra-high purity (UHP) gas delivery solutions to world renowned electronics and semiconductor players. Apart from UHP, it is also involved in process reengineering and general contracting.

This is the first LCO2 project for Kelington. Generally, LCO2 can be used in food and beverage (F&B), fabrication, as well as construction industry.

Located in Kerteh, Terengganu, Kelington's LCO2 plant sources the raw gas used to manufacture the LCO2 from a local oil and gas industry leader via a long-term contract. Without Kelington's plant, the raw gas would be released to the air as waste. Given this, this venture will also effectively help to reduce carbon emissions released into the environment.

This deal with Kelington is yet another example of HSBC developing industry leading sustainable product offerings. In 2017, HSBC issued the world's first United Nations (UN) Sustainable Development Goals (SDGs) bond followed by the world's first UN SDG sukuk by HSBC Amanah in Malaysia. Earlier this year HSBC also acted as the sole sustainability structuring bank for a market leading Sustainability-Linked Financing (SLF) reinforcing the Bank's commitment to support the shift to a low carbon economy.

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HSBC Malaysia has been providing financial support to Kelington since 2008 and it is the anchor bank which supports the Group's business in both ASEAN and China.

"HSBC Malaysia is honoured to continue supporting Kelington as they grow their business further. Our deep understanding of Kelington's business allows us to lead the strategic dialogue with them and provide timely financing solutions that cater to their specific needs," said Karel Avni Doshi, Country Head of Corporate, Commercial Banking, HSBC Malaysia.

"This is also a good example of how we are enabling our Malaysian customers to achieve their sustainability goals. This deal further reaffirms HSBC's ambition in becoming the industry leader for sustainable financing in Malaysia and globally," added Karel.

HSBC Group aspires to be a leader in sustainable financing, managing and shaping the shift to a low-carbon world. The bank has set out a series of commitments globally in support of this goal, including a pledge to provide USD100 billion to sustainable financing and investments by 2025. In 2019, HSBC was named by Euromoney as the World's Best Bank for Sustainable Finance.

In 2019, HSBC Amanah's UN SDG sukuk was also awarded the Islamic Deal of the Year as part of The Asset Triple A Islamic Finance Awards. HSBC Amanah is committed to transforming into a sustainable banking entity and it is accelerating efforts to become the Group's first Sustainable Bank to deliver positive impact to both people and the planet, at the same time, meeting shareholders' interests.

Founded in 2000 in Malaysia, Kelington has since evolved to become a multi-disciplinary engineering services provider with regional presence in Singapore, China, Taiwan, Indonesia and the Philippines.

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Note to editors:**About HSBC Malaysia**

HSBC's presence in Malaysia dates back to 1884 when the Hongkong and Shanghai Banking Corporation Limited established its first office in the country on the island of Penang, with the permission to issue currency notes. HSBC Bank Malaysia Berhad was locally incorporated in 1984 and is a wholly-owned subsidiary of The Hongkong and Shanghai Banking Corporation Limited, founding member of the HSBC Group. In 2007, HSBC Bank Malaysia was the first foreign bank to be awarded an Islamic banking subsidiary licence in Malaysia, namely HSBC Amanah Malaysia Berhad. Today, HSBC Malaysia has a network of 67 branches nationwide, of which 26 are HSBC Amanah Malaysia Berhad branches. HSBC Malaysia offers a comprehensive range of banking and financial services including Islamic financial solutions. HSBC Malaysia has also led innovation in Malaysia by introducing Malaysia's first ATM and Electronic Touch Banking in the early 1980s. Today, HSBC Malaysia has launched innovative solutions such as HSBCnet for secure banking for businesses, Trade Transaction Tracker and Facial Recognition.

About Kelington Group Berhad

Kelington was founded in year 2000 to provide UHP gas delivery solutions to the world renowned electronics and semiconductor players. Apart from UHP, Kelington is also involved in process reengineering, general contracting as well as manufacturing of industrial gases.

Over the years, they have established a strong track record in completing a variety of projects for global multinational corporations (MNCs) comprising of wafer fabrication plants, storage media and hard disk drive manufacturers, integrated circuits manufacturers, and photovoltaic cell manufacturers.

Kelington has evolved to become a multi-disciplinary engineering services provider with regional presence in Malaysia, Singapore, China, Taiwan, Indonesia and the Philippines.

The Hongkong and Shanghai Banking Corporation Limited

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group. HSBC serves customers worldwide from offices in 64 countries and territories in its geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of US\$2,918bn at 31 March 2020, HSBC is one of the world's largest banking and financial services organisations.

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