HSBC

News Release

14 October 2025

FE Green PET secures RM150 million in sustainable financing from HSBC Malaysia

Maiden foray into sustainable finance will support the development of FE Green PET's new high-tech recycling factory in Melaka

FE Green PET (M) Sdn Bhd (FE Green PET), a wholly owned subsidiary of Taiwan's Far Eastern New Century Group (FENC); a prominent player in sustainable materials manufacturing, has secured RM150 million in green and sustainability-linked financing from HSBC Malaysia. This marks FENC's global debut in green and sustainability-linked financing and will fund the expansion of FE Green PET's recycled polyethylene terephthalate (rPET) resin production plant in Melaka. The initiative will not only support the construction phase but also the post-commercial operation of the project.

rPET can be produced from used plastic materials such as used plastic bottles and containers. The loan proceeds will be used to finance the acquisition of industrial land and rPET production equipment for the plant's initial construction phase. The plant will have the capacity to produce 50,000 metric tonnes rPET from Post-Consumer Recycled (PCR) content annually.

This strategic investment not only showcases the increasing trend of Taiwanese companies investing in Malaysia, amidst supply chain shifts but also reinforces FE Green PET's dedication to sustainable practices. The plant will contribute to waste reduction by transforming waste into value-added products for food-grade rPET*, for some of FE Green PET's globally recognised clients, including leading beverage brands.

This investment aligns well with Melaka's Industrial Booster initiative and will play a pivotal role in bolstering the state's vision of transforming into a green state economy hub, with well-developed infrastructure enabling fast global imports and exports.

"The collaboration between FE Green PET and HSBC signifies a stride towards a more sustainable future, promoting a circular economy and responsible manufacturing practices.Through the cross-border collaboration with the parent company; Far Eastern New Century in Taiwan, FE Green PET (M) Sdn Bhd in Malaysia and HSBC's offices in both Malaysia and Taiwan, the deal highlights our ability to leverage our international network to connect clients with key opportunities offered by sustainable finance", said Shreyas Krishna, Head of Global Trade Solutions, HSBC Malaysia.

"We have been deeply rooted in the Malaysian market for 30 years. Malaysia is not only a key hub for our ASEAN operations but also represents our long-term commitment to local development. The commissioning of our new Melaka plant will accelerate the implementation of the 'bottle-to-bottle' circular system, supporting Malaysia's green transition and resource recycling, while further connecting regional and global supply chains in pursuit of low-carbon development", said Donald Fan, President, FENC.

The sustainability-linked structure aligns KPIs with FENC's sustainability strategy and initiatives. This framework enhances pricing as sustainability targets tied to FENC's ESG efforts are achieved. Key focus areas encompass Renewable Electricity Consumption and Recycled Water Consumption.

FENC is the world's largest green recycler of bottle grade polyester. Since 1988, the company has been committed to environmentally friendly recycling processes and product development, with production facilities in Taiwan, Japan, Vietnam and the United States. In line with efforts to consolidate its leadership in the ASEAN PCR industry, which focuses on reusing materials discarded by consumers, FENC is looking to replicate its successful model in Malaysia.

FE Green PET distinguishes itself through cutting-edge technology that transforms locally sourced PET bottles into high quality rPET resin. By employing advanced techniques including sorting, cleaning, decontamination, and pelletising, high value rPET resin is produced, ensuring both environmental sustainability and product quality.

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*Food-grade rPET is recycled plastic made from used beverage bottles that undergo strict purification processes. With its high purity and safety, it can be reused in food and beverage packaging and serves as a key material for “bottle-to-bottle” recycling.

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About FE Green PET

FE Green PET (M) Sdn Bhd, a newly incorporated private limited company in Malaysia, specializes in the manufacturing of recycled PET and other plastic products for packaging. The company is ultimately owned by Far Eastern New Century ("FENC"), a renowned leader in the polyester and textile industry since 1949. FENC has expanded its global manufacturing operations across Taiwan, the US, China, Japan, Malaysia, and Vietnam.

Committed to environmental sustainability and food safety, FENC focuses on the development of eco-friendly products, including Bio-PET and Post-Consumer Recycled (PCR) resins for carbon dioxide reduction, as well as fast reheat resins to improve energy efficiency.

At FE Green PET, we specialize in recycling and processing PET to produce premium food-grade materials that comply with the highest safety standards. Our products are used in a broad array of applications, from beverage bottles and food containers to textiles, fashion, packaging, and personal care products, ensuring exceptional performance while adhering to stringent global food safety regulations and specifications.

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 Berhad was the first foreign bank to be awarded an Islamic banking subsidiary licence in Malaysia, and HSBC Amanah Malaysia Berhad was subsequently established. 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 on supported mobile phones.

HSBC Holdings plc

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