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**BOCHK and Shangri-La sign RMB 4.5 billion sustainability-linked loan
to support green development in hotel industry**

Bank of China (Hong Kong) (“BOCHK”) signed a five-year sustainability-linked loan (“SSL”) facility of RMB 4.5 billion with Shangri-La Asia Limited (“Shangri-La”). This transaction represents the single largest SLL denominated in RMB for Shangri-La. The capital acquired will be used for refinancing and general working capital, in support of Shangri-La’s on-going efforts in sustainable development, aiming to reduce the environmental footprint of its business operations.

The facility is linked to a set of predetermined Environmental, Social and Governance (ESG) targets, namely employee work injury rate, energy consumption intensity, carbon emissions intensity, water consumption intensity, and the reduction of single-use plastics intensity. Shangri-La will benefit from savings in borrowing costs as the interest rate will be reduced when the preset ESG targets are achieved. To cater for the funding needs in different currencies of Shangri-La, this facility included both the USD and HKD drawdown options.

Calvin Woo, Deputy General Manager, Global Corporate Banking Department of BOCHK, said, “Shangri-La has been managing business operations in a sustainable manner, which is in alignment with BOCHK’s core value of sustainable development. Capitalising on our RMB business expertise and professional knowledge, we are pleased to provide Shangri-La with a flexible sustainability-linked financing solution, becoming its trusted partner in the journey of pursuing green growth. We will continue to support corporate customers in establishing sustainable business models and foster the development of Hong Kong as a leading regional green financing hub.”

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