

IFR ASIA LOANS BRIEFING

■ JULY 30 2013

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ASIA PAC (INC-JAPAN)

BOOKRUNNERS: 1/1/2013 TO 26/7/2013

Managing bank or group	No. of issues	Total US\$(m)	Share (%)
1 Mizuho Fin Group	298	61,448.61	22.3
2 Sumitomo Mitsui Finl Grp	299	40,153.59	14.6
3 Mitsubishi UFJ Fin Grp	329	37,221.87	13.5
4 State Bank of India	32	16,410.43	6.0
5 Citigroup	20	8,500.53	3.1
Total	1,378	275,725.87	

Source: Thomson Reuters (SDC code: S3a)

ASIA PAC (EX-JAPAN, EX-AUSTRALASIA)

BOOKRUNNERS: 1/1/2013 TO 25/7/2013

Managing bank or group	No. of issues	Total US\$(m)	Share (%)
1 State Bank of India	39	16,666.4	10.3
2 Bank of China Ltd	91	11,053.6	6.8
3 DBS Group Holdings	65	8,831.0	5.5
4 United Overseas Bank	33	6,322.3	3.9
5 Standard Chartered	71	5,991.2	3.7
Total	508	162,130.6	

Source: Thomson Reuters (SDC code: S3f)

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Senior syndication on **SHUANGHUI INTERNATIONAL**'s US\$4bn jumbo acquisition financing has closed with eight banks in the underwriting group as the deal prepares to hit general syndication in August.

ING, which was expected to join in senior, is not in the deal, sources said. The eight banks already committed are *Bank of China, Credit Agricole, DBS Bank, Industrial & Commercial Bank of China, Natixis, Rabobank, RBS and Standard Chartered*.

BOC, which has been co-ordinating, had invited each bank to underwrite US\$1bn in senior syndication.

Pork producer Shuanghui and US-based Smithfield Foods said on May 29 that Shuanghui would acquire all outstanding shares of Smithfield for US\$34 per share in cash, or about US\$4.7bn. The transaction values Smithfield at about US\$7.1bn, including the assumption of its net debt.

The US\$4bn debt financing comprises a US\$2.5bn three-year tranche and a US\$1.5bn five-year tranche. Shares of Smithfield will secure the facility.

The average lives of the three- and five-year tranches are about 2.7 years and 4.7 years, respectively. The three-year tranche offers a margin of 350bp over Libor, while the five-year offers 450bp.

In senior syndication, banks received all-ins of 400bp on the three-year tranche and 500bp on the five-year.

Morgan Stanley is sole financial adviser to the Chinese company. The US bank is also a lead on a US\$750m ABL facility for Smithfield Foods and also completed a US\$1.5bn 364-day bridge loan last week.

Shuanghui International is the majority shareholder of Henan Shuanghui Investment & Development, China's largest meat processing enterprise and the country's largest publicly traded meat products company by market capitalisation.

The US\$1.2bn five-year term loan for **VEDANTA RESOURCES** received commitments from two banks in senior syndication as it prepares to hit general syndication this week. *Bank of China* and *First Gulf Bank* have joined for US\$250m combined, while three to four more lenders are still processing.

Senior syndication, which was launched in early June, remains open. Responses were originally due on July 5.

In senior, banks are offered a top-level all-in of 303.57bp. The facility has an average life of 3.5 years and pays a margin of 275bp over Libor.

Bank of America Merrill Lynch, Barclays, Citigroup, JP Morgan, RBS and Standard Chartered are leading the loan. Proceeds are for refinancing the US\$2.97bn Cairn India acquisition financing.

More details have surfaced on the US\$1.5bn loan backing a **P3 INVESTMENTS**-led consortium's US\$4.753bn bid for a 90% stake in **INTERNATIONAL LEASE FINANCE CORP**, American International Group's wholly-owned aircraft leasing unit.

The five-year amortising loan is offering a margin of 500bp over Libor. Price talk is an all-in of about 550bp.

The margin will be adjusted according to the holding company's net debt ratio 12 months after drawdown, as follows: 500bp for a net debt ratio of 0.5 or more; 475bp for a net debt ratio of 0.40-0.49; 450bp for a net debt ratio of 0.30-0.39; and 425bp for a net debt ratio of less than 0.3.

Shares of the holding company will be used to secure the loan, as will shares of ILFC once the acquisition is completed.

The average life of the loan is around 4.2 years, not 2.23 years as reported earlier.

The borrower is in talks with banks to reduce its syndicated loan to about US\$1bn from US\$1.5bn. The loan size has already been reduced twice, from US\$2.3bn and US\$2bn. Sources said the minimum commitment of US\$100m could also be cut.

Bank of Taiwan and *Mega International Commercial Bank* are leading the facility. A bank meeting was held in Taipei on July 10. The borrower had said at the meeting that leverage is around 7.5 to 8 times debt to earnings.

The deadline for commitments has been extended to August 9 from the end of July. However, they said potential lenders might still not be able to meet that deadline.

P3 Investments is led by Ng Wing-fai, co-founder of the now defunct pan-Asia fund Primus Financial Holdings.

Allocations have emerged on the financing backing QIC Global Infrastructure's acquisition of the **MOOMBA TO ADELAIDE PIPELINE SYSTEM**. The loan closed at A\$245.7m (US\$228m) following commitments from eight banks that joined sole underwriter *Citigroup*.

The US lender ended up with A\$47.85m, as did *Bank of Tokyo-Mitsubishi UFJ* which joined as MLA. *Aozora Bank*, *CTBC Bank* and *Mizuho Bank* came in as lead arrangers with A\$25m apiece. *DZ Bank* took A\$22.5m as arranger, while *Bank of China*, *First Commercial Bank* and *Taiwan Cooperative Bank* came in for A\$17.5m each.

The term loan is split into a A\$110m three-year bullet tranche and a A\$135m five-year amortising piece with a 4.25-year average life. Leverage is less than 60%. The three-year tranche pays margin of 180bp over BBSY, while the five-year portion pays 200bp over BBSY.

The deal offered top-level all-ins of 230bp and 235.29bp for the three- and five-year tranches, respectively.

QIC acquired the pipeline from APA Group for A\$400.5m. The 1,185km pipeline transports gas to Adelaide and other parts of South Australia from Moomba in the Cooper Basin. Major customers include Origin Energy, AGL, International Power and OneSteel.

AGILE PROPERTY HOLDINGS has exercised a HK\$1.65bn (US\$213m) greenshoe on its three-year amortising loan, sources said, increasing it from HK\$1.482bn. With the greenshoe exercised, the borrowing's total size now stands at HK\$5.628bn, including a HK\$3.978bn base facility in which six banks participated.

Six banks joined the greenshoe facility. *Bank of Communications Hong Kong* joined as lead arranger with HK\$400m, while three others, *China Merchants Bank Hong Kong*, *Tai Fung Bank* and *Wing Lung Bank*, took HK\$300m each.

China Everbright Bank took HK\$250m and *Fubon Bank Hong Kong* HK\$100m as arrangers.

The HK\$3.978bn base loan was reduced to HK\$3.978bn from the previously reported HK\$4.368bn after *Bank of America Merrill Lynch* withdrew from the facility. Six other banks signed the base deal: *HSBC* (HK\$1.17bn), *Standard Chartered* (HK\$858m), *Hang Seng Bank* (HK\$780m), *Bank of East Asia* (HK\$390m), *ICBC Asia* (HK\$390m) and *UBS* (HK\$390m).

The greenshoe was launched in mid-May, offering a top-level all-in of 455bp. The unsecured loan has a margin of 420bp over Hibor and an average life of 2.31 years. Proceeds are for refinancing.

In September 2010, the real estate developer sealed a HK\$1.59bn three-year term loan from StanChart, Hang Seng, Bank of China Macau and Tai Fung Bank which paid an all-in of around 400bp.

The multi-tranche financing for **ZHEJIANG NEW CENTURY HOTEL MANAGEMENT GROUP** has closed with seven banks joining sole bookrunner *Standard Chartered* at a reduced size of US\$248m-equivalent.

The deal originally was for US\$298m-equivalent, comprising a Rmb400m three-year onshore loan for refinancing and a US\$233m offshore loan to be borrowed via British Virgin Islands-incorporated Spearhead Global. The offshore portion was split into a US\$161m three-year bullet loan and a US\$72m one-year revolving credit.

The onshore tranche is now reduced to Rmb360m, while the offshore tranche is for US\$189.8m.

StanChart ended up with Rmb101.5m on the onshore tranche. Joining as lead arrangers on the onshore portion were *Hua Nan Commercial Bank* with Rmb78m, *First Commercial Bank* with Rmb72.5m and *Taiwan Cooperative Bank* with Rmb50m. *Chang Hwa Bank* took Rmb58m as arranger.

StanChart took US\$48.3m on the offshore piece, while *Mega International Commercial Bank* and *Bank of China* came in as joint mandated lead arrangers with US\$41m and US\$37m, respectively. *First Commercial* took US\$18m as lead arranger, while *Hua Nan* and *Taiwan Cooperative* committed US\$13m apiece.

Chang Hwa joined with US\$7.5m as arranger, while *Wing Lung Bank* took US\$12m.

The onshore loan pays a top-level fee of 180bp and a margin of 110% of the PBOC rate, while the offshore piece paid a top-level all-in of 350bp based on a margin of 250bp over Libor.

New Century Real Estate Investment Trust is the borrower. Signing of the loan took place on June 14.

Founded in 2001 and headquartered in Hangzhou, Zhejiang province, Zhejiang New Century now has businesses in hotel management and consultation, hotel management software development, and conference and exhibition services. Its majority shareholder, Zhejiang New Century Tecway Tourism Investment, is a wholly owned subsidiary of New Century Tourism Group. Sky Town Investment, a unit under Carlyle Group, is the second-largest shareholder, with a 39.95% stake.

