IFR CHINA CAPITAL MARKETS BRIEFING

The IFR China Capital Markets Briefing is a daily report providing focused coverage of primary issuance and other key developments in this market. The Briefing is emailed at midnight, Hong Kong time, and is broadcast in text with a PDF attachment – allowing it to be printed, viewed on a PC or read on a mobile device.

A Chinese language version of the briefing is also available. For more details on this – or any aspect of the **IFR China Capital Markets Briefing** – please email **paul.holliday@thomsonreuters.com**

CHINESE YUAN BONDS
ARRANGERS: 1/1/2013 TO 14/3/2013

	Managing bank or group	No. of issues	Total US$(m)	Share (%)
1	HSBC Holdings	34	11,545.2	31.1
2	BNP Paribas	20	6,091.0	16.4
3	Standard Chartered	15	5,178.1	13.9
4	National Australia Bank	3	2,000.0	5.4
5	Bank of China	2	1,876.7	5.1
	Total	**83**	**37,172.7**	

Source: Thomson Reuters (SDC code: AS24a)

CHINA EQUITY CONVERTIBLE
ARRANGERS: 1/1/2013 TO 14/3/2013

	Managing bank or group	No. of issues	Total US$(m)	Share (%)
1	Goldman Sachs	2	3,499.20	22.3
2	UBS	5	2,296.30	14.6
3	Haitong Securities Co	2	1,794.60	11.4
4	Guotai Junan Securities	3	1,336.10	8.5
5	Citic	1	884.2	5.6
	Total	**46**	**15,680.50**	

Source: Thomson Reuters (SDC code: C1m)

CHINA SYNDICATED LOANS
ARRANGERS: 1/1/2013 TO 14/3/2013

	Managing bank or group	No. of issues	Total US$(m)	Share (%)
1	Bank of China	7	1,053.6	36.3
2	ANZ Banking Group	1	515.0	17.8
3	China Construction Bank	1	273.5	9.4
4	United Overseas Bank	1	84.0	2.9
=4	Standard Chartered	1	84.0	2.9
	Total	**18**	**2,901.6**	

Source: Thomson Reuters (SDC code: S8e)

To find out how you can generate league tables and analyse investment banking and deal trends take a look at ThomsonONE.com Investment Banking and SDC Platinum.

Equities

YUNNAN CHIHONG ZINC & GERMANIUM received written approval from the CSRC for its proposed rights issue of up to Rmb5bn (US$804m). The company plans to offer not more than 393m right shares on a 3-for-10 basis. *Fortune CLSA Securities* is arranging the deal. Proceeds will be used for acquisitions and repayment of bank loans.

The board of SANAN OPTOELECTRONICS has decided to pull its proposed public share placement of up to Rmb6.3bn (US$1.01bn), because of a slowdown in the LED industry and weak market conditions. Sanan had planned to offer up to 210m shares via arranger *Ping An Securities*. Proceeds were to be used for optoelectronic and LED-application projects.

SHENZHEN LAIBAO HI-TECH raised Rmb1.74bn (US$280m) from a private share placement of 105m shares to seven investors. The price was set at Rmb16.52, or at a discount of 26.25% to the pre-deal spot. Mutual funds were the main buyers. *Haitong Securities* was sole bookrunner. Proceeds will be used for touch-screen production and a R&D centre.

Bonds

Singapore- listed vegetable processor CHINA MINZHONG mandated *Deutsche Bank* and *JP Morgan* to arrange a series of investor meetings In Asia and Europe starting tomorrow, with a five-year Reg S issue the expected outcome. Minzhong is one of China's biggest food processors and a deal will mark its debut in the offshore public debt markets.

The company was expected to do its roadshow in the week of March 11, but was forced to update its offering memorandum because Indofood increased its stake to a controlling position. Indofood now holds a 29.33% stake in Minzhong.

Chinese property developer ZHONG AN REAL ESTATE has picked *BNP Paribas*, *JP Morgan* and *UBS* as leads for a non-deal roadshow in Hong Kong and Singapore starting tomorrow.

Moody's said last Friday that the company's 2012 results which were weaker than expected should pressure it to improve quickly its financial position if it is to avoid further negative rating actions.

"Zhong An's liquidity is tighter than expected due to the increase in its level of short-term debt maturities. Its cash on hand of Rmb1.1bn cannot cover its short-term maturing debt of Rmb1.7bn and committed land payment premiums of Rmb0.2bn," Moody's said.

CHINA MINMETALS plans to meet investors in Hong Kong and Singapore starting tomorrow for a Reg S CNH bond. *ABC International*, *DBS Bank*, *HSBC*, *Industrial and Commercial Bank of China (Asia)*, *Standard Chartered Bank (Hong Kong)* have been appointed leads on the deal.

Nasdaq-listed 21VIANET GROUP has completed the first offshore renminbi bond from a high-tech, asset-light and internet-based company. CNH investors took to the Rmb1bn (US$159m) deal in droves with the books topping Rmb4.25bn from 90 accounts.

The debut offering set up a new benchmark in the unrated CNH universe and shows that fixed-income investors are willing to embrace new sectors. Substantial anchor orders were secured before the deal was announced, which created strong momentum after the book opened. The strong result also set the stage for more high-yield Dim Sum issuers to come to the market.

"The high-yield market will likely be busy over the next few weeks. With SOE and bank issuance approval not expected until the second quarter from the NDRC, CNH liquidity will continue to look for high-yield issuance to satisfy demand," said Philip Tsao, head of global finance and risk solutions, Greater China at Barclays.

As a result of the 21Vianet bond, high-yield Dim Sum issuance last week reached a record total of Rmb3.75bn. 21Vianet also gave an indication of the depth of the institutional investor base for small-cap and high-growth companies. Over 85% of the bonds went to institutional investors. Fund and asset managers took a bulk of the issue at 52%, with banks at 33%, private banks 7% and corporates and other investors at 8%.

The three-year CNH debut bond was priced at 7.95% yield, lower than revised guidance at the 8% area (plus/minus 5bp), from initial price talk of the 8.25% area. Coupon is 7.875% with issue price at 99.803. The final pricing represented 30bp tightening from initial price guidance, which was an achievement for an unrated debut issuer.

Barclays was sole global co-ordinator. Barclays, *Citic Securities International*, *DBS Bank* and *Wing Lung Bank* were joint lead managers and joint bookrunners, while SinoPac Securities (Asia) was co-manager.

THOMSON REUTERS

EDITORIAL ENQUIRIES

Fiona Lau
+852 2912-6673
fiona.lau@thomsonreuters.com

Nethelie Wong
+852 2912-6674
nethelie.wong@thomsonreuters.com

Carrie Hong
+86 10 6627-1209
carrie.hong@thomsonreuters.com

Ken Wang
+86 10 6627-1259
ken.wang@thomsonreuters.com

Jing Song
+852 2912-6672
jing.song@thomsonreuters.com

SUBSCRIPTION ENQUIRIES

EMEA
+44 (0)20 7369 7317
rm.emeasales@thomsonreuters.com

ASIA-PACIFIC
+852 3762 3336
rm.apsales@thomsonreuters.com

JAPAN
+813 4589 2311
rm.apsales@thomsonreuters.com

US
+646 223 6123
rm.ussales@thomsonreuters.com

CLIENT SUPPORT

+800 8727 8326
rm.clientsupport@thomsonreuters.com

ADVERTISING

EMEA, US
+44 (0)20 7369 7556
leonie.welss@thomsonreuters.com

ASIA-PACIFIC
+65 9755 5031
shahid.hamid@thomsonreuters.com

INDUSTRIAL AND COMMERCIAL BANK OF CHINA has circulated guidance on its multi-tranche offering of asset-backed securities of roughly Rmb3.59bn (US$578m), according to sources close to the deal. Pricing is initially planned for March 27.

The Rmb3.40bn domestic Triple A floating-rate Tranche is indicated at 0.90%–1.30% over the one-year deposit rate (3%); the Rmb170m Double A floating-rate piece is indicated at 2.10%–2.50% over the one-year deposit rate, and Rmb382.35m of unrated notes are indicated around 10.53%.

The expected maturity date on the Triple A Tranche (84.62% of the deal) is July 26 2015. The Double A Tranche (4.73% and the unrated portion (10.65%) has a nominal maturity of January 26 2016. Legal maturities of the tranches are on July 26 2018.

A bookbuilding process will determine the prices on the Triple A and Double A Tranches. The unrated/high-yield tranche will be privately placed.

ICBC, the originator and servicer, has named *CICC* and *Citic Securities* as joint lead managers of the deal. Zhonghai Trust acts as trustee and issuer.

ICBC has involved two rating agencies, Chengxin and China Credit Rating. Under the latest ABS rules, ratings from at least two rating agencies are needed.

Guidance for HUISHANG BANK's dual-tranche finance bonds of up to Rmb5bn (US$804m) has been indicated at 4.20%–4.50% for the three-year, while the five-year tranche is indicated at 4.40%–4.70%. The deal will be priced on March 19, and respective issuance sizes for each tranche will be decided then.

CICC and *UBS Securities* will be joint leads on the deal, which settles on March 21.

Chengxin has assigned both the deal and the issuer AA+ ratings. Proceeds will be used to support loans to micro and small-cap companies.

Bank of Qingdao is the most recent comparable for the finance bonds. It sold a Rmb5bn three and five-year paper at 4.60% and 4.80%, respectively, on March 1. The bank is an AA credit.

COFCO is expected to sell up to Rmb5bn (US$804m) of three-year MTNs on March 25. *ICBC* and *CCB* will be joint leads on the deal, which will settle on March 26. Lianhe has assigned both the deal and the issuer a Triple A rating.

SHANGHAI METRO is set to issue up to Rmb6bn (US$965m) of five-year MTNs on March 22. *Bank of China* and *Shanghai Pudong Development Bank* will be joint leads on the deal, which will settle on March 25. Both the deal and the issuer have Triple A ratings from local agencies.

Loans

JIANGXI PROVINCIAL EXPRESSWAY INVESTMENT GROUP has sealed a 23-year financing of Rmb6bn (US$959m) for the construction of the Fuzhou-Ji'an Expressway. *China Development Bank* Jiangxi led the borrowing. *Agricultural Bank of China*, *China Construction Bank* and *Export-Import Bank of China* joined as participants.

Secured against toll rights, the facility pays a margin of 100% of the PBOC rate. It repays in semi-annual instalments after a three-year grace period. The 179km expressway involves a total investment of Rmb9.46bn.

ECM PIPELINE

- **March – China Minsheng Banking** Up to US$3.18bn A-share CB. Haitong, UBS Sec
- **March – Triplex** Up to US$200m SEHK IPO. BofA Merrill, CMS, GS
- **Q2 2013 – Galaxy Securities** Up to US$1bn SEHK IPO. Galaxy Int, GS, JPM
- **Q2 2013 – Sinopec Engineering** US$1.5bn SEHK IPO. Citic, JPM, UBS
- **2013 – Century Energy** Up to US$150m SEHK IPO. BNPP, ICBCI, MS
- **2013 – AAG Energy** Up to US$200m HK IPO. JPM, Barclays, Haitong International
- **2013 – South Beauty** Up to US$200m SEHK IPO. CICC, DB, UBS
- **2013 – China Merchants Bank** Up to US$5.4bn A/H rights issue. CICC, Citi, GS, UBS
- **2013 – Mando China** About US$200m SEHK IPO. DB, MS
- **2013 – Fuhua Agricultural Technology** Up to US$200m SEHK IPO. Citi, Jefferies

DCM PIPELINE

- **March – Alibaba** US$
- **March – China Bright Food** US$ HSBC, Rabo, RBS
- **March – China Minmetals** Dim Sum Rmb4.5bn
- **March – Huneng Intl Power** Dim Sum Rmb3.5bn remaining
- **March – Datang Group** Dim Sum Rmb5bn
- **March – Guangdong Nuclear Power** Dim Sum Rmb2.5bn remaining BOCI,CDB
- **March – Johnson Matthey** Dim Sum HSBC, BoC (HK)
- **March – Nissan Motor** Rmb Dim Sum HSBC, SCB