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.

CHINESE YUAN BONDS
ARRANGERS: 1/1/2013 TO 17/10/2013

	Managing bank or group	No. of issues	Total US$(m)	Share (%)
1	HSBC	135	45,870.1	33.3
2	BNP Paribas	77	23,671.3	17.2
3	Standard Chartered	73	21,895.9	15.9
4	DBS Group	15	6,520.2	4.7
5	ICBC	11	3,826.7	2.8
	Total	**321**	**137,716.9**	

Source: Thomson Reuters (SDC code: AS24a)

CHINA EQUITY CONVERTIBLE
ARRANGERS: 1/1/2013 TO 17/10/2013

	Managing bank or group	No. of issues	Total US$(m)	Share (%)
1	Goldman Sachs	17	6,489.3	13.0
2	UBS	17	3,947.5	7.9
3	Haitong Securities	12	2,678.7	5.4
4	Guotai Junan Securities	14	2,603.0	5.2
5	China Securities Co	9	2,572.2	5.2
	Total	**226**	**49,908.2**	

Source: Thomson Reuters (SDC code: C1m)

CHINA SYNDICATED LOANS
ARRANGERS: 1/1/2013 TO 17/10/2013

	Managing bank or group	No. of issues	Total US$(m)	Share (%)
1	China Development Bank	18	17,589.0	24.0
2	Bank of China	69	12,558.0	17.1
3	Bank of Communications	9	4,893.7	6.7
4	China Construction Bank	6	4,650.3	6.3
5	ICBC	6	3,668.1	5.0
	Total	**194**	**73,306.6**	

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

Hefei-based HUISHANG BANK plans to start pre-marketing its proposed Hong Kong IPO of US$1bn–$1.2bn on Monday. The city commercial lender secured listing approval from SEHK, according to two sources.

Pre-marketing is scheduled to run for a week. A roadshow will be launched in the week of October 28.

BOC International, *Citic Securities International*, *JP Morgan*, *Morgan Stanley* and *UBS* are leading the transaction. Among others on the syndicate are Bank of America Merrill Lynch, BoCom International, China Everbright Capital, CICC, Citigroup, Haitong International Securities, HSBC, ICBC International and Nomura.

Beijing-based Chinese on-line classified advertising website 58.COM has started bookbuilding for its NYSE IPO of up to US$165m. The company is selling 11m ADRs at an indicative price range of US$13–$15 each, or at a 2014 P/E of 22.6–26. The deal will price on October 30.

If the float crosses the finish line, it will be the largest Chinese listing in the US this year. *Credit Suisse*, *Citigroup* and *Morgan Stanley* are the leads on the transaction.

Chinese social network game developer BOYAA INTERACTIVE also plans to start pre-marketing for its planned US$100m–$150m Hong Kong IPO next Monday. *Credit Suisse* and *China Renaissance Capital* are the joint bookrunners.

Chinese cloud-based game developer Forgame listed in Hong Kong earlier. Shares of the company have risen 20% since listing.

XCMG CONSTRUCTION MACHINERY is looking to launch its proposed issue of six-year CBs of up to Rmb2.5bn (US$408m) as soon as next week, according to two sources. The unsecured CBs will carry a coupon of not more than 2.5%. *Morgan Stanley Huaxin Securities* is arranging the transaction. Proceeds will be used for three machinery plants and a R&D project.

Bonds

More details have emerged on INDUSTRIAL AND COMMERCIAL BANK OF CHINA's plan to become the first Chinese bank to launch a renminbi-denominated bond in London, announced first by UK Chancellor George Osborne on Tuesday.

The lender is expected to launch a Rmb2bn (US$328m) offering in early November, making it the first China-headquartered bank to issue debt directly in Britain.

Several of ICBC's offshore subsidiaries, including those in Abu Dhabi, Doha, London, Luxembourg, Macau, Sydney, Tokyo, as well as Hong Kong-based ICBC Asia, have already issued either bonds or certificates of deposit in the offshore renminbi market.

However, the London issue will come from the bank's headquarters in Beijing. A roadshow is planned ahead of pricing and market players are expecting a tenor of three years, in line with the sweet spot of the CNH market.

ICBC Luxembourg's 3% due May 2015 CNH paper was quoted at 3.354%/3.254% in the secondary market. ICBC is rated A1/A/A.

The Chinese lender's own investment banking units are expected to lead the offering, with the help of some London-based banks.

Market players see the issue as a further boost to London's ambitions to become an offshore renminbi centre. The rare opportunity to invest in a relatively stable currency and in the world's largest bank in terms of market value will make the deal attractive to European investors, according to a CNH bond banker.

Loans

A Blackstone Group-led consortium will take PACTERA TECHNOLOGY INTERNATIONAL private for US$625m, after a month of wrangling over the sale price.

Pactera, China's largest technology outsourcing company, agreed to an offer price of US$7.30 per ADS, an 11.6% premium to the stock's US$6.54 closing price on Wednesday.

The buyers, which include Pactera's management, initially offered US$7.50 per ADS in May, but cut that to US$7.00 last month, citing the company's weakening financial performance.

Pactera gave no reason for the latest price revision.

Bank of America Merrill Lynch, *Citigroup* and *HSBC* will provide debt financing for the deal.

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Last year Beijing-based Pactera was formed through a merger of HiSoft Technology International and VanceInfo Technologies; it offers technology outsourcing and consulting services to companies across the world.

China's Big Four banks have signed a Rmb13.55bn (US$2.2bn) 30-year financing for the WEST RING RAILWAY construction project in Hainan Province.

China Construction Bank's Hainan branch is the mandated lead arranger for putting up Rmb6bn towards the financing. The Hainan branches of Agricultural Bank of China, Bank of China and Industrial & Commercial Bank of China came in for Rmb3.05bn, Rmb3bn and Rmb1bn, respectively.

The facility pays a margin of 100% of the PBOC rate and repays in semi-annual instalments after a four-year grace period.

Hainan East Ring Railway is the borrower, while its parent, state-owned Guangzhou Railway (Group) Corp, is the guarantor.

Signing took place at the end of September.

FUJIAN REFINING & PETROCHEMICAL has sealed its Rmb4.6bn (US$752m) multi-tranche financing for expansion. The loan comprises three 15-year tranches and one three-year piece, with two of them denominated in US dollars.

Agricultural Bank of China, *Bank of China*, *Bank of Communications*, *China Construction Bank*, *China Development Bank*, *Industrial & Commercial Bank of China* and *Sinopec Finance* are lenders to the club deal. ICBC is the agent.

For renminbi funds, the facility pays a margin of 100% of the PBOC rate. Signing took place in September.

FREP is a joint venture of Fujian Petrochemical (50%), ExxonMobil China Petroleum & Petrochemical (25%) and Saudi Aramco Sino (25%). Fujian Petrochemical is a 50-50 JV between state-owned China Petroleum & Chemical Corp (Sinopec Corp) and Fujian Petrochemical Industrial Co.

FREP sent out a request for proposals in March for the new loan to back the expansion of its refining and ethylene integrated project at Meizhou Bay at Guanzhou City in Fujian Province.

ECM PIPELINE

- **October 2013 – Bank of Chongqing** Up to US$600m SEHK IPO. GS, MS, BoCom Intl, CCBI, CICC
- **October 2013 – Boyaa Interactive** Up to US$150m SEHK IPO. CS, China Renaissance Capital
- **October 2013 – Huishang Bank** US$1.5bn SEHK IPO. BOCI, Citic, JPM, MS, UBS
- **October 2013 – 58.com** Up to US$150m NYSE IPO. CS, Citi, MS
- **October 2013 – Qunar.com** Up to US$125m NYSE IPO. DB, GS
- **October 2013 – Hydoo International** Up to US$250m SEHK IPO. MS, UBS
- **October 2013 – Huirong Financial** Up to US$110m SEHK IPO. UBS
- **November 2013 – China Cinda Asset Management** US$2bn IPO. BofA Merrill, CS, GS, MS
- **November 2013 – YST Dairy** Up to US$150m SEHK IPO. CS, Macquarie
- **2013 – Triplex** Up to US$200m SEHK IPO. BofA Merrill, CMS, GS
- **2013 – AAG Energy** Up to US$200m HK IPO. JPM, Barclays, Haitong International
- **2013 – Jianhua Concrete Pile Group** Up to US$600m SEHK IPO. Citic, DB, MS
- **2013 – Ping An Insurance** US$4.1bn CBs. CICC, Credit Suisse Founder Securities, Goldman Sachs Gao Hua Securities, JP Morgan First Capital Securities, Guotai Junan, Ping An Securities
- **2013 – Sinopec** US$4.7bn A-share CB. GS Gao Hua, CICC, Citic Sec, CS Founder Securities, Guotai Junan, Zhong De Securities
- **2013/2014 – China Everbright Bank** US$2bn SEHK IPO. BNP, BOCI, CICC, CEC, HSBC, JPM, MS, SYWG, UBS
- **2013/2014 – China National Biotec Group** Up to US$2bn SEHK IPO. CICC, MS, UBS
- **2014 – Asia Potash Group** Up to US$200m SEHK IPO. BofA Merrill, Citi, DB
- **2014 – Fuhua Agricultural Technology** Up to US$200m SEHK IPO. Citi, Jefferies
- **2014– Bank of Shanghai** US$2bn A/H IPO. Guotai Junan, Citic, GS Gao Hua; ICBCI, JPM, MS, UBS
- **2014 – China Guangfa Bank** US$5bn A/H IPO. BofA Merrill, Citi, CS, DB, GS, Macquarie; Citic, GS Gao Hua, Guangfa, Haitong, Yingda
- **2014 – Harbin Bank** US$1.5bn A/H IPO. CICC, ABCI, BOCI
- **2014 – South Beauty** Up to US$200m SEHK IPO. CICC, DB, UBS
- **2014 – China Railway Material** Up to US$2bn A/H IPO. CICC, Citi, Citic, CS, HSBC, UBS
- **2014 – China Smart Electric Group** Up to US$200m SEHK IPO. CCBI, MS, RBS
- **2014 – Meilan International** Up to US$150m SEHK IPO. BoCom International, CCBI
- **2014 – Golden Hans Restaurant Chain** Up to US$200m SEHK IPO. CLSA, CS, DB
- **2014 – China Great Wall Electric** Up to US$100m SEHK IPO. CS, Guotai Junan
- **2014 – Golden Bridge United Financial Leasing** Up to US$300m SEHK IPO. BoCom, JPM
- **2014 – Star King (China) Food** Up to US$200m SEHK IPO. Macquarie
- **2014 – Rainbow** Up to US$200m SEHK IPO. BOCI, BofA Merrill
- **2014 – Xing Yuan Power** Up to US$50m SEHK IPO. BoCom, CMS, Guosen, UBS
- **2014 – AdChina** Up to US$100m Nasdaq IPO. CS, GS
- **2014 – LaShou Group** Up to US$80m Nasdaq IPO. Barclays, CICC, Jefferies
- **2014 – The Basic House Global** Up to US$300m SEHK IPO. *GS, UBS*