

SLAUGHTER AND MAY

Financing

Hong Kong / PRC / Asia Pacific

Slaughter and May is a leading international law firm with a worldwide corporate, commercial and financing practice. We provide our clients with a professional service of the highest quality, combining technical excellence with commercial awareness and a practical, constructive approach to legal issues.

Slaughter and May has a long-standing presence in Asia, opening our office in Hong Kong in 1974 and our office in Beijing in 2009.

We have a premier financing practice and handle regularly the financing of public takeovers, private acquisitions and asset purchases, project financings and real estate financings. The work is frequently complex and highly structured, involving sophisticated and tailored financing structures, documentation and security arrangements.

We practice English and Hong Kong law and provide US securities law capability for capital markets transactions in Hong Kong.

The practice is considered to have strong borrower-side credentials, with one interviewee describing “a very strong corporate firm,” while another commentator says: “They pride themselves on acting for the borrowers on loans.

Banking & Finance (International Firms), China
Chambers Asia-Pacific 2019



Recent Work /

Loan financing

- **MTR Corporation** on its HK\$25 billion syndicated loan facility entered into on 13 July 2016 with a group of 21 local and international banks. The facility comprises a 3-year term loan tranche for HK\$12,500 million and a 5-year revolving tranche for HK\$12,500 million.
- advising various banks in Hong Kong on a regular basis in relation to bilateral and syndicated loan transactions, including **Standard Chartered Bank, HSBC, Hang Seng Bank, Bank of East Asia, Bank of Tokyo-Mitsubishi UFJ, Bank of China, Mizuho Corporate Bank, Agricultural Bank of China, and Sumitomo Mitsui Banking Corporation**
- **Mizuho Bank, Ltd**
 - on a HK\$7.424 billion and US\$220 million syndicated loan facility for China Resources Power Holdings Company Limited (CR Power). The facility was entered into on 30 March 2015
 - as coordinator of 21 local and international banks in relation to a HK\$5 billion 5-year revolving credit facility for the Airport Authority Hong Kong (AA), a statutory body wholly owned by the Hong Kong SAR Government. Established in 1995, the AA is responsible for the operation and development of Hong Kong International Airport. The facility was entered into on 7 December 2015
- **China Resources (Holdings)** on the establishment of an intra-group lending arrangement for the China Resources group
- **the agents** (on behalf of the lenders and the arrangers) on a HK\$5,730 million syndicated loan facility for CITIC Pacific, marking CITIC Pacific's return to the syndicated loans market after a three year absence, and on a subsequent HK\$4,500 million syndicated loan facility for CITIC Pacific
- **Nordea Bank** as lender on the secured SEK100 million multicurrency revolving and overdraft facilities made available to Metro International S.A.
- **Bank of Tokyo-Mitsubishi UFJ**, as agent in relation to a US\$140 million syndicated loan facility for CSMC Asia for the development of a wafer fabrication facility line in the Wuxi Hi-Tech Development Zone, Jiangsu
- **Bank of China** as lender in connection with a HK\$1.5 billion secured term loan facility to Good Focus Holdings and Treasure Spot Investments, as borrowers, for the purpose of refinancing securitisation notes

Well placed to advise major multinational corporates as borrowers, and also works with banks and margin financing lenders. Leverages off a strong M&A team to provide comprehensive advice on acquisition finance, and also regularly advises on bilateral and syndicated loan transactions. Also adept in handling complex debt restructuring and refinancing matters. Handles lending matters in the energy, natural resources and real estate sectors both within the PRC and on outbound deals.

Banking & Finance (International Firms), China
Chambers Asia-Pacific 2019



They're professional
and reliable, very good
for these aspects.

Banking & Finance
(International Firms), China
Chambers Asia-Pacific 2019

Recent Work /

Acquisition financing

- **Tencent Holdings** on the limited recourse financing aspects of the US\$8.6 billion acquisition of a majority stake in Finnish game developer Supercell Oy (Supercell) from its majority shareholder SoftBank Group Corp (SoftBank) and Supercell employees. Under the terms of the share purchase agreement made among Supercell, SoftBank, Supercell employees and Tencent on 21 June 2016, a consortium entity (into which Tencent invested) acquired for cash up to 84% of Supercell in a transaction valuing Supercell at approximately US\$10.2 billion. The US\$3.5 billion limited recourse facility agreement was entered into on 10 August 2016 and the transaction closed on 26 October 2016. This transaction won: Deal of the Year Award at the 2016 China Business Law Journal Awards; Global M&A Deal of the Year, China at The American Lawyer's Global Legal Awards 2017; and TMT Deal of the Year and Finance Deal of the Year at The China Law & Practice Awards 2017
- **PT Borneo Lumbung Energi & Metal Tbk**, the Indonesian-listed coking coal producer, on its US\$1 billion acquisition finance facility to fund the acquisition of an effective economic interest in Bumi plc, a leading natural resources group listed on the London Stock Exchange
- **United Energy Group** on its US\$640 million acquisition finance facility to fund the acquisition of Pakistan oil and gas businesses from BP
- **China Construction Bank** on a US\$200 million acquisition finance facility for Geely Sweden AB, a subsidiary of Zhejiang Geely Holding Group, the largest private car-maker in the People's Republic of China
- **China Investment Corporation (CIC)** on the English law aspects of its secured US\$1.9 billion senior loan facility investment in PT Bumi Resources, the largest coal mining company in Indonesia
- the lead arranger in relation to a US\$430 million financing of H3C Holdings in connection with 3Com Group's acquisition of a shareholding in Huawei-3Com from the Huawei Group
- **YTL Power** on its SGD2.25 billion acquisition financing facility for the acquisition of PowerSeraya Limited from Temasek Holdings
- **Morgan Stanley, Deutsche Bank and Merrill Lynch**, the lenders and joint lead managers, in connection with the leveraged buyout of the semiconductors business (now known as NXP BV) of Philips Electronics by a private equity consortium comprised of Kohlberg Kravis Roberts & Co, Silver Lake, AlInvest, Apax and Bain Capital
- **Resolution** on the acquisition financing for its acquisition of the AXA Life Business. The financing consisted of a £400 million term loan bridge facility, the issue of £500 million deferred consideration notes and a £500 million revolving credit facility

“Very professional and helpful.”

Banking & Finance (China), Chambers Asia 2016

Construction and project financing

- **MTR Corporation** on its
 - negotiations with the Hong Kong Government on the agreement for the further funding of the proposed high-speed rail project linking Hong Kong and Mainland China. The project is one of the most significant and complex infrastructure projects ever undertaken in Hong Kong and the further funding arrangements had to be structured in a way that satisfied the interests of the various stakeholders whilst enabling the project to be completed in accordance with the project timetable. This transaction was ranked in the ‘Standout’ category in the FT Asia Pacific Innovative Lawyers 2016 Report published on 3 June 2016
 - execution of a project agreement with the Government of Hong Kong for the financing, design, construction, completion, testing and commissioning of the West Island Line
- **MTR Corporation** on its execution of a project agreement with the Government of Hong Kong for the financing, design, construction, completion, testing and commissioning of the West Island Line
- **Aareal Bank**, Singapore, in respect of the transfer between private equity houses of a project financing relating to real property located in the PRC, including partial paydown and restructuring of the Credit Agreement
- **Swire Properties** in relation to syndicated and bilateral loan facilities for the purposes of financing The Village and Taikoo Hui, its retail and hotel development projects in Beijing and Guangzhou, respectively
- the lenders in relation to the project financing and later refinancings of the Western Harbour Crossing project
- the lender in relation to the project financing of the Eastern Harbour Crossing
- **Don Muang Tollway** in relation to the project financing and subsequent restructuring of the Don Muang Tollway project linking the airport and central Bangkok
- the project company in relation to the project financing and the refinancing of the Route 3 Country Park Section toll road project

Debt issues and MTN programmes

- **Cathay Pacific Airways** on the annual update of the US\$2 billion Medium Term Note Programme of Cathay Pacific MTN Financing Limited, its wholly-owned subsidiary.
- **Swire Properties** on the annual update of the US\$4 billion Medium Term Note Programme of Swire Properties MTN Financing Limited, its wholly-owned subsidiary.
- **Swire Properties** on the first green bond issue by its wholly-owned subsidiary, Swire Properties MTN Financing Limited, of US\$500 million 3.50% Guaranteed Notes due 2028. The Notes were issued under Swire Properties’ US\$4 billion Medium Term Note Programme. The net proceeds from the Notes issue will be used to fund or refinance Swire Properties’ new or existing green projects that relate to green building development, energy efficiency, renewable energy, sustainable water and wastewater management, or climate change adaptation. This is the first green bond in Hong Kong to obtain the Green Finance Certification from the Hong Kong Quality Assurance Agency

Recent Work /

- **Swire Pacific** on the annual update of the US\$5 billion Medium Term Note Programme of Swire Pacific MTN Financing Limited, its wholly-owned subsidiary
- **MTR Corporation Limited and MTR Corporation (C.I.) Limited** on the annual update of their US\$4 billion Medium Term Note Programme
- **Standard Chartered** on the annual update of its US\$77.5 billion debt issuance programme, under which Standard Chartered PLC, Standard Chartered Bank and Standard Chartered Bank (Hong Kong) Limited have the ability to issue notes to be listed and traded on the London and Hong Kong Stock Exchanges
- **Hong Kong Monetary Authority** on the establishment of the Hong Kong Government's Hong Kong dollar retail bond issuance programme and the three issuances under the programme comprising up to HK\$30 billion in principal amount of inflation-linked 'iBonds'. The iBonds pay a coupon linked to the Composite Consumer Price Index, are available to retail investors resident in Hong Kong are listed on the Hong Kong Stock Exchange
- **Wing Tai Properties Limited** on the annual update of the US\$1 billion MTN programme established by its wholly-owned subsidiary. Notes issued under the programme are guaranteed by Wing Tai Properties. HSBC and Standard Chartered were the arrangers for the programme.
- **Unilever** on its issue of RMB300 million notes, the first RMB-denominated issue by a European multinational corporation
- **China Power International Development** in relation to its issue of RMB800 million 3.2% bonds due 2015, among the first issues of Renminbi-denominated corporate bonds in Hong Kong
- **MTR Corporation** on its first RMB-denominated bond issue, US\$154 million
- **MCC Holding** on its first US\$-denominated bond issue, US\$500 million
- **China Power International Development** on its RMB982 million (US\$150 million) issue of RMB-denominated, US dollar-settled convertible bonds due 2016
- **China Power New Energy Development** on its issue of RMB500 million (US\$76.7 million) RMB-denominated guaranteed bonds
- **Urban Renewal Authority** on the establishment and annual update of its US\$1 billion MTN programme and on its first issuance under the programme
- **Standard Chartered** on its US\$530 million public offering of Indian Depository Receipts and related listings on the Bombay and National Stock Exchanges of India, the first ever IDR offering
- **Swire, Standard Chartered, Fubon and MTR Corporation** on the establishment and annual updating of their debt issuance programmes
- **Morgan Stanley**, as manager, in relation to Chinese Future Corporation's issue of US\$225 million 12% Senior Notes due 2015 (proceeds applied towards financing the purchase of concession rights to part of the Hangzhou Ring Road Expressway)
- **Swire, Standard Chartered, Fubon and MTR Corporation** on the establishment and annual updating of their debt issuance programmes

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“Their standards are high - very, very good quality people, just incredible.”

Chambers Asia 2016

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For further information, please speak to your usual Slaughter and May contact.

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