

EUROASIAN

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FACILITY SA1

Lender International Fund headquartered in the U.S.A. that lends where

- ~ confirmed contracts are in place or can be put in place, which will ensure that the loan can be serviced and repaid. The contracts need to be with companies that have an investment grade rating of BBB or higher, or
- ~ the loan is to be indemnified by an acceptable bank, insurance company or similar financial institution, or investment grade corporate guarantee, or where the loan is eligible for a municipal, state or sovereign guarantee.

Uses

A Manufacturer

As real estate is not required as security, a business can rent space in which it produces its product thus maintaining its capital base for manufacturing purposes. Provided it has a Letter of Intent to sell its product, which Letter can be converted into a sales contract, the business can expand at a fast rate as it is able to borrow up to 100% of the manufacturing cost.

An Energy or Infrastructure Provider [wind, sun, electricity, water, power, gas, mining, roads, airports, etc.]

As neither equity in nor ownership of the real estate associated with the provision of any of the above services is a requirement, and provided the developer has a Letter of Intent to purchase and/or to use the end product, which Letter can be converted into an acceptable contract, the developer can expand at a faster rate than would be possible if his capital had to be partially tied up in the ownership of the real estate.

A Real Estate Developer

This facility can be utilized for real estate development provided the major segments of the project are able to be pre-sold. As an example, a residential golf/hotel development could qualify if the golf course and the hotel were sold to companies that specialize in the ownership and/or management of same.

Any Company that has a minimum BBB rating

Irrespective of the nature of the company's operations, its rating is sufficient to qualify the company under this Facility.

Financing for Municipalities and Government

In a municipality/governmental situation the largest benefit in using Facility SA1 is replacing typical bond financing. With SA1, a contractor can build and own a facility for a government agency. The agency only has to agree to an irrevocable payment stream over the term of the debt, sufficient to pay off the debt. The bond rating of the governmental entity is used to secure the debt. Typically the developer would take a development fee for profit.

Term

3 to 20 years

- Rate* 4%-6% as a guide - it largely depends on the strength of the participants.
- Loan to Cost/Value* Up to 100%.
- Equity Requirement* Whilst the Fund does not take an equity position in the sense of holding shares in the borrower's company, it does require up to 3% per annum of gross turnover which is permanently held as an investment. Satisfactory alternative arrangements sometimes need to be put in place where we are acting for a government etc.
- Payments* Interest can be capitalized during development. Principal and interest payments apply thereafter.
- Commitment* An Expression of Interest Letter can be issued at an early point in the application process. Thereafter a Commitment Letter can be issued at the appropriate time.
- Timing* Once the strength of the Contract is established, the loan can generally be approved within 20 days and thereafter closed within 45 to 60 days. As project finance type due diligence is not required, the loan processing/legal costs are substantially less than normal. Euroasian will be pleased to request from the Fund, a quote at the appropriate point in the application process.

*Meetings with Dean Wentworth are normally held in Sydney
however Mr. Wentworth is also available to meet with Clients in
Hong Kong, Zurich or San Francisco.*