

Law Debenture in Hong Kong

Law Debenture has been active in Asia for more than 30 years and provides a full range of trustee and related services to Asia-based issuers.

These include acting as:

- Trustee of corporate bonds, securitisations and asset-backed transactions, project financings and MTN (medium term note) programmes
- Nominee shareholder
- Security trustee
- Escrow agent
- Service of process agent

We also work closely with our London and other offices on international issues and financings, for instance acting as security trustee in Hong Kong on issues where Law Debenture London acts as bond trustee. Like the rest of the Law Debenture Group, we are often involved in transactions that are complex, innovative and challenging .

Where appropriate services are provided through Law Debenture Trust (Asia) Limited, a Hong Kong registered trust company.

Both our Hong Kong companies are wholly owned subsidiaries of The Law Debenture Corporation p.l.c.

Representative transactions

Cyberport

We were appointed as security trustee in relation to Hong Kong's Cyberport, a substantial residential and hi-tech complex being developed jointly by PCCW and the Hong Kong Government to provide office towers, hotels, shopping malls and ancillary residential units. Under the scheme, the Government provides the land and PCCW's subsidiary, Cyberport Limited, is responsible for the construction with the portion intended for IT/IS activities being transferred to the Government once completed. Revenues from the ancillary residential development are to drive the project and, after setting aside sufficient funds to complete the project, profits will be shared according to the respective capital contribution of each party.

In our role as security trustee, we are responsible for managing the sale proceeds of the residential units strictly in accordance with the procedure agreed by the two parties. Critical to this role is the assimilation and processing of financial information , which we made possible by using the combination of our in-house information technology facilities and our experience of trustee matters to design a bespoke computer-system, enabling us to handle significant revenue streams each month.

Pan Asian

Following the historic decline in local property values, another of our more notable appointments arose from a funding structure which allows borrowers to refinance their homes at lower interest rates than would otherwise be available to them. This is a new product that has not as yet been developed in other parts of the world. A number of participating banks provide mortgages up to specified loan-to-value ratios, and Pan Asian provides the tranche of the mortgage over and above that. The top-up portion of the mortgage is warehoused until sufficient assets have been accumulated to launch a

securitisation.

Law Debenture was appointed as mortgage trustee to handle the substantial sums representing the mortgage receivables paid over by borrowers each month and to redistribute these funds to the respective participants in accordance with the terms and conditions set out in the trust deed.

Future developments

Notwithstanding the difficult economic conditions facing Hong Kong and South East Asia, we remain committed to developing further new business in the region. Encouragingly, the Hong Kong Government has announced plans to develop Hong Kong's small bond market. We are also tracking developments (for instance, the development of new trustee laws) in the financial centres of China where we anticipate that new opportunities will arise in the future.

Representative borrowers by country

Hong Kong

HSBC
Hong Kong Land
Container Terminal No. 9
Cyberport Limited

Korea

Hanaro Telecom Inc
Koromas Fund Limited

India

Housing Development Finance Corporation Limited

Indonesia

PT Astra International Tbk

Contact

For further information please contact:

The Law Debenture Corporation (H.K.) Limited
Suite 3105, 31/F Alexandra House
18 Chater Road
Central Hong Kong
Tel: +852 2234 9349
Fax: +852 2234 9765
Email: hong.kong@lawdeb.com