

HD RLPC-Bright Foods seeks \$800 mln loan for Tnuva**buy** - bankers

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HONG KONG, May 28 (Reuters) - **China**'s state-owned Bright Food (**Group**) Co Ltd is seeking a syndicated loan of up to \$800 **million** to back its acquisition of a majority **stake** in Israel's largest food **company** Tnuva, banking sources said.

Bright Foods said that it would **buy** 56 percent of **dairy firm** Tnuva, Israel's largest food **company**, from private **equity** house Apax Partners on May 22 in a deal that shareholder Mivtach Shamir Holdings said valued the **dairy company** at about \$2.5 **billion**.

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Bright Foods' deal follows similar acquisition loans for **Chinese** state-owned companies COFCO Corp, **China**'s largest grain trader, and steel producer Baosteel **Group** Corp.

Bright Food was not immediately available for comment.

The **Chinese** state-owned companies are raising syndicated US dollar-denominated loans in **Hong Kong** after tightening **Chinese** liquidity in 2013 made internationally-syndicated offshore loans cheaper than onshore loans.

State-owned **Chinese** companies have raised \$2.6 **billion** of loans so far this year, with another \$11 **billion** of deals in the pipeline, giving a total of \$13.6 **billion** for the year to date, compared to a total of \$17 **billion** of loans in 2013.

COFCO Corp. is currently in the market with a \$3.2 **billion** acquisition loan to back its purchase of Noble **Group** Ltd's agribusiness unit and repay a shareholder loan.

Baosteel **Group** Corp is also seeking financing proposals for a loan of around \$554 **million** equivalent in Australian dollars to to fund its takeover bid for Australian explorer Aquila Resources Ltd

SEEKING PROPOSALS

Bright Food has asked banks to send in proposals for one or three-year loans of up to \$800 **million** equivalent in euros with bullet repayment.

The **company** sent out invitations to banks on Tuesday and has asked for indicative proposals within 10 working days, sources said.

Best known for its cottage **cheese**, Tel Aviv-based Tnuva had 2013 revenue of 7.17bn shekels (\$2.05 **billion**) from the sales of a range of cheeses, **milk**, yoghurt, meat and eggs.

Bright Food will pay Apax slightly less than \$1 **billion** in cash for its 56 percent **stake** and will assume Apax's share of bank loans totalling 1.9 **billion** shekels, Reuters reported.

Bright Food's new acquisition loan is expected to have similar documentation to an \$850 **million** loan that the **company** raised in October 2012 to finance its acquisition of a majority **stake** in British cereal maker Weetabix.

That deal consisted of a \$550 million, three-year loan provided by Bank of China, China Development Bank, HSBC, National Australia Bank, Rabobank and RBS, and a \$300 million, one-year bridge loan to a bond issue that was provided by HSBC, Rabobank and RBS.

The three-year loan had all-in pricing of 230 basis points (bps) and the one-year bridge loan paid up to 150bps.

Bright Food guaranteed the 2012 loan, which was raised via a Hong Kong subsidiary. (Editing by Tessa Walsh)

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CO baois : Shanghai Baosteel Group Corp | brgfdc : Bright Food (Group) Co Ltd | mivtsh : Mivtach Shamir Holdings Ltd | mmg : Apax Partners LLP | tnva : Tnuva Central Cooperative for the Marketing of Agricultural Products in Israel Ltd

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