

SE Business
HD Rinehart adds extra \$265m
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Gina Rinehart's Hancock Prospecting has committed to an extra \$265 million worth of shares in the giant Roy Hill iron ore dream as part of the project's holding company issuing \$378 million worth of new equity.

Hancock's ramped-up equity exposure comes in the wake of a decision to press ahead with the main construction phase of the \$10 billion development ahead of the close of debt financing.

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Construction workers are still flooding into the project following the decision late last month to hit the button on Roy Hill's main construction schedule. Numbers on site are expected to hit 2000 early next month after export credit agencies from the US and Korea committed loans and guarantees worth up to \$US2.9 billion.

But Roy Hill is yet to secure debt requested from Japanese export credit agencies, and is understood to still be negotiating with bankers for commercial loans worth billions more.

With the full debt package still to be finalised, it appears Mrs Rinehart and her equity partners have committed more of their own cash to the project in the interim.

Australian Securities and Investments Commission records show Roy Hill Holdings recently issued 3.15 million shares, expanding the number on issue by about 3 per cent and taking their total value when fully paid to \$4.7 billion.

Records show Hanrine Holdings, a subsidiary of Hancock Prospecting, was issued 2.2 million shares and Roy Hill's consortium of Asian equity partners — including Japanese trading house Marubeni, Korea's POSCO and Taiwanese steelmaker China Steel Corporation — took up the rest.

The take-up means that Mrs Rinehart maintains her 70 per cent ownership of the 55 million tonne-a-year port, rail and mine project, committing an extra \$265 million to its construction.

It is believed to be the first time Mrs Rinehart has committed new funds to the project since early 2012, as she was introducing the equity partners onto the Roy Hill share register.

ASIC records also show Roy Hill recently drew down an additional \$311 million under the company's part-paid share structure. It is unclear whether Mrs Rinehart's new contribution forms part of that sum.

According to ASIC records, Roy Hill's shareholders have now tipped in \$3.4 billion to its development, with another \$1.27 billion still owed in equity contributions.

CO hkpros : Hancock Prospecting Pty. Ltd.

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