

RMB 690 million financing deal agreed with China Development Bank to fund "Fortuna"

Luxembourg-based Edison Capital Partners finds capital in China for European client.

Edison Capital Partners has brokered a RMB690 million financing deal with the China Development Bank on behalf of the Maritime Construction Services SA Group to acquire the pipe-lay barge "Fortuna." Edison Capital Partners was able to facilitate the transaction, believed to be the largest loan of its kind, due to their specialist expertise in sourcing funds and by building on existing relations between the ship yard, Shanghai Zhenhua Port Machinery Co. Limited, and the China Development Bank. Luxembourg-based Edison Capital Partners was retained by Maritime Construction Services SA Group (MCS) to arrange the acquisition and financing of the state-of-the-art pipe-lay barge Fortuna from the Shanghai Zhenhua Port Machinery Co. Limited (上海振华重工集团) with funds from the China Development Bank (国家开发银行).

The 300 meter long Fortuna will be used to lay each day 2 km of pipeline in front of the Russian Sakhalin island that ultimately will provide China with oil and gas. Edison Capital Partners provides proficient advice and financing in the private aviation, shipping, oil and gas and other niche sectors. "It is this highly developed expertise which led MCS to retain Edison Capital Partners for this transaction" notes Valery Kornienko, Director of MCS and architect behind MCS's biggest investment thus far.

Edison's key asset is the development of long-term, sustainable financing solutions that withstand challenging market conditions, in this case looking globally for alternative funding solutions. Knut Reinertz, CEO of Edison Capital Partners, said, "Edison Capital Partners had to apply a very creative approach leading us to target Asia, in particular Hong Kong and China, as Luxembourgish and European banks had been rather reluctant to grant any credit facility to the shipping industry over the past 18 months." According to Patrick Hansen, Director at Edison Capital Partners, "We are delighted to have been able to facilitate a transaction of RMB690 million from the China Development Bank on behalf of MCS which we believe is a first; no foreign company has previously received a loan of this magnitude in Renminbi currency from a Chinese bank."

Edison aims to further develop financing solutions for similar transactions with the Chinese banks. Edison is expected to increase its presence in Shanghai, reflecting the city's trend of developing into a major shipping finance centre in Asia.

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