

ASSESSING BOND PROSPECTUS



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& ASSOCIATES PTE LTD

EXECUTIVE COACH & INVESTMENT CONSULTING

FIXED INCOME COACHING PROGRAM

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FOUNDER AND PRINCIPAL

WHAT IS A BOND PROSPECTUS

- This is an offering document that provides all the relevant details relating to the bond issuance.
- It is filed to the relevant securities commissions (e.g. SEC in the US, SGX in Singapore).
- This should contain all the information pertaining to the issuer and to investors in order to make an informed investment decision.

Prospectus Types

- Preliminary Prospectus – A first draft before the bond is approved for sale
- Final Prospectus – There will be changes after the preliminary prospectus, **so it's useful to re-look at the final documents**
- Offering Circular – Abbreviated version of the final prospectus to highlight key information

KEY INFORMATION IN TABLE OF CONTENTS

- Summary (Overview) of the Offer and the Bonds
- Use of Proceeds
- Terms and Conditions of the Bonds
- Pricing Supplement

WHAT IS BEING OFFERED

What to Check	Comments
➤ Issuer	<input type="checkbox"/> Check for the issuing entity
➤ Lead Manager	<input type="checkbox"/> Responsible for coordinating and managing the IPO process <input type="checkbox"/> Advising on the structure and timing of the issuer
➤ Bookrunner	<input type="checkbox"/> Helps to build orders for the deal
➤ Underwriting	<input type="checkbox"/> An underwriter may commit to buy the subscriptions if there is no full allocation <input type="checkbox"/> Not very common in Asia these days because of balance sheet limitations

TAKE NOTE ON LEAD MANAGERS AND BOOKRUNNERS

ASPIAL

Issuer

ASPIAL TREASURY PTE. LTD.

*(Incorporated in the Republic of Singapore on 3 July 2015)
(Company Registration No: 201527868M)*

Guarantor

ASPIAL CORPORATION LIMITED

*(Incorporated in the Republic of Singapore on 12 November 1970)
(Company Registration No: 197001030G)*

Sole Lead Manager and Bookrunner



Cap/taMall
Trust

(Constituted in the Republic of Singapore
pursuant to a trust deed dated 29 October 2001 (as amended))

MANAGED BY

CAPITAMALL TRUST MANAGEMENT LIMITED

A wholly-owned subsidiary of

Cap/taMalls
Asia
凱德商用

Arranger



Joint Lead Managers and Bookrunners



TAKE NOTE ON LEAD MANAGERS AND BOOKRUNNERS

361°

361 Degrees International Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1361)

US\$400,000,000

7.25% Senior Notes due 2021

Issue Price: 99.055%

Sole Global Coordinator, Sole Bookrunner and Sole Lead Manager

BofA Merrill Lynch

Offering Memorandum dated May 24, 2016

Market Capitalization: HK\$3.7 billion
Total Assets: HK\$12 billion
Manufactures sportswear and footwear
in China and Hong Kong

- Issue Price can be priced below par
- There is only a single Investment Bank in the deal, even though it's a decent size listco. **Why?**

KEY INFORMATION FOR BONDS

What to Check	Comments
➤ Issue Size	<input type="checkbox"/> Is there an additional upside?
➤ Issue Price	<input type="checkbox"/> Typically issued at par, but check otherwise
➤ Maturity and Interest Payment Dates	<input type="checkbox"/> Check for semi-annual payment dates and the exact maturity
➤ Status of the Bond	<input type="checkbox"/> Check if its secured, unsecured or subordinated
➤ Event of Default	<input type="checkbox"/> Check for the conditions to accelerate payment <input type="checkbox"/> >25% of principal amount held by holders can give notice of default
➤ Credit Rating	<input type="checkbox"/> Most SGD issues are unrated <input type="checkbox"/> Check for long-term and short-term ratings
➤ Governing Law	<input type="checkbox"/> Typically New York, English or Singapore Law

KEY INFORMATION FOR BONDS

What to Check	Comments
➤ Optional Redemption	<input type="checkbox"/> Call Option (Check its First Call Date).
➤ Purchases	<input type="checkbox"/> Issuer can buy back bonds in open market, subjected to regulations.
➤ Change of Control	<input type="checkbox"/> For family, SOE Issuers <input type="checkbox"/> Issuer to call at par, otherwise the bond is subjected to a step-up <input type="checkbox"/> Can be a Change of Control Put Option
➤ Restricted Payments	<input type="checkbox"/> Controls how much an issuer can pay out distributions. <input type="checkbox"/> Protects asset coverage and limited power of shareholders. <input type="checkbox"/> E.g. Restricted to paying 50% of net income as dividends.

KEY INFORMATION FOR BONDS

What to Check	Comments
➤ Asset Sales Restrictions	<ul style="list-style-type: none">❑ Prevents a company from selling assets without using proceeds to reinvest or pay back bondholders.❑ The sale must be a material transaction.
➤ Negative Pledge	<ul style="list-style-type: none">❑ Prevents formerly senior unsecured notes from being subordinated behind new secured debt
➤ Maintenance Test (Financial Covenants)	<ul style="list-style-type: none">❑ Leverage Ratio Test (Debt/Equity)❑ Interest Coverage Ratio Test (EBITDA/Interest Expense)

COCO SPECIFIC INFORMATION

What to Check	Comments
➤ Deferral Interest Payment	<ul style="list-style-type: none"><li data-bbox="621 496 2415 544">❑ Non-Cumulative – The Bank can cancel interest payment, and this is not a default<li data-bbox="621 654 2226 758">❑ Dividend Stopper – If Interest on Coco is not paid, the Bank cannot make additional dividend/distribution in cash on its ordinary shares.
➤ Loss Absorption Event	<ul style="list-style-type: none"><li data-bbox="621 875 2262 922">❑ Trigger Event – States what is the Tier 1 Capital Adequacy Ratio threshold.<li data-bbox="621 1096 1982 1143">❑ Contingent Write-Down or Conversion (Exchange for shares).

USE OF PROCEEDS

USE OF PROCEEDS

The net proceeds arising from the issuances of Bonds under the Programme (after deduction of underwriting fees, discounts and commissions and other expenses incurred by the Issuer associated with the Programme) will be used to refinance existing borrowings, finance investments and fixed assets of the Issuer and for general working capital purposes, or as may be specified in the relevant Pricing Supplement.

- Typically the prospectus will tell you the proceeds will be used to refinance existing borrowings, and/or for general working capital purposes. Dig deeper.

Be exact in questions...

- how much does the issuer need to repay their existing immediate debt?
- If the proceeds are used for expansion, how would the amount be allocated?
- Will the funds be flowing back onshore or remain offshore? (e.g. raise money in HK, remit back to China or flow to other parts of the world?)
- Check where the cash is ultimately going