

AIIB out, others in on Thai gas-fired

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Asian Infrastructure Investment Bank (AIIB) has stepped away from a nearly \$700 million gas-fired power project in Thailand, while *IJGlobal* reveals the remaining lenders that aim to close at least a \$400 million debt package by 1H 2022.

Ratch and Gulf Energy Development are developing the 1.4GW Hin Kong gas-fired power project worth about Bt21.7 billion (\$694.94 million). The complex will include two 700MW combined-cycle gas turbine units in Muong district, Ratchaburi province.

Before Lunar New Year (1 February 2022), AIIB finalised the cancellation document as the board considered the project not aligned with its climate-related policy, *IJGlobal* has heard.

The decision follows AIIB's proposal in December 2021 to back the gas-fired with \$389 million in financing with the following structure:

- \$100 million A loan – AIIB
- \$289 million B loan/parallel loan

Meanwhile, Hin Kong's financing contains US dollar and Thai baht tranches with a roughly half-half split. The USD tranche is about \$250 million, *IJGlobal* understands.

International lenders on the USD tranche include:

- Mizuho
- SMBC
- SMTB
- Societe Generale
- Natixis
- Standard Chartered
- Bank of China
- OCBC

IJGlobal was told that ICBC may also join the deal. The local banks participating in the Thai baht tranche include Bangkok Bank and Siam Commercial Bank.

Hin Kong Power is the project company. Shareholders comprise:

- Ratch – 51%
- Gulf Energy Development – 49%

The lenders are considering upsizing their ticket sizes or bringing in new lenders. Hin Kong Power targets to close the transaction by April (2022).

Time is ticking as the 25-year PPA signed with the state-owned Electricity Generating Authority of Thailand (EGAT) in July 2019 requires the project to achieve financial close by H1 (2022).

Since Thailand has more gas-fired power generation assets and a more developed natural gas supply chain, AIIB may have had climate-related concerns that go against their policies, a person inside the deal told *IJGlobal*.

The transaction can proceed without multilaterals because Thailand is an upper-middle-income country with high market liquidity. EGAT's credit rating is a strong BBB+, while the sponsors have solid performance records, another project insider said.

The consortium in October 2020 appointed [EPC contractors](#) for the project – Sino-Thai Engineering and Construction and Mitsubishi Power. The scheduled commercial operations date is 2025.

Advisers include:

- Linklaters – lenders' legal

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