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STATE GRID GETS FINANCING AS PART OF THE PROCESS FOR THE ACQUISITION OF CHILQUINTA

State Grid gets triple financing to buy Sempra's Chilean assets

Eloise Hardy

Chile's Carey has helped Chinese utilities company State Grid obtain three credit agreements worth a total of US$320 million to fund its acquisition of Sempra Energy's Chilean assets.

Baker McKenzie (Chile) helped HSBC grant one of the loans, worth US$70 million.

Philippi Prietocarrizosa Ferrero DU & Uría (Chile) is thought to have helped BBVA's Hong Kong branch and the Industrial and Commercial Bank of China provide the two other loans, of US$150 milllion and US$100 million respectively, but this could not be confirmed prior to publication.

State Grid obtained the loans to fund the acquisition of Chilquinta Energía – Sempra's Chilean asset. All three financings closed on 19 June.

State Grid agreed to buy Sempra Energy's Chilean assets worth nearly US$2.2 billion last year, two weeks after Sempra signed a deal to sell its Peruvian assets to China Yangtze Power for US$3.6 billion – that deal was approved in April this year.

Carey advised State Grid on the Chilean acquisition too, as did five offices of US firm Paul, Weiss, Rifkind, Wharton & Garrison. Sempra relied on White & Case LLP in New York, London and Shanghai and Chile's Claro & Cía. Sullivan & Cromwell LLP in New York helped the banks involved in the deal.

Sempra began divesting its South American assets in mid-2019 to focus on its business in North America.

Carey y Cía. Ltda.
Isidora Goyenechea 2800, 43rd Floor.
Las Condes, Santiago, Chile.
www.carey.cl

Counsel to State Grid

Carey

Partners Alberto Cardemil and Felipe Moro, and associates Alejandra Daroch and Domingo Russi

Counsel to HSBC

Baker McKenzie (Chile)

Partners Sebastián Vivanco and Jaime Munro