

# Transaction Trail

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A look at mergers, acquisitions, private equity / venture capital deals and initial public offerings in Singapore, Malaysia and Indonesia

**Annual Issue 2017**



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# Welcome Note

We are happy to publish the Transaction Trail Annual Issue for 2017. As we enter into our sixth year of this publication, we are delighted to see the continued interest in the report. Our sincere thanks to our readers for their constant support and encouragement.

This edition of the report covers mergers & acquisitions (“M&A”), private equity/venture capital (“PE/VC”) investments and initial public offerings (“IPOs”) in Singapore, Malaysia and Indonesia (the “region”) for 2017\*.

Global M&A activity showed signs of easing during 2017 compared to the levels of the deal activity seen in 2015 and 2016. Despite this, global M&A appetite for transactions has been fairly robust this year with 36,718 transactions valued at over US\$ 2.8 trillion. (Source: Bloomberg).

During 2017, the region witnessed a record level of deal activity at over US\$ 130 billion of value from M&A, PE/VC & IPO, surpassing the historic highs in 2015 of over US\$ 115 billion. While the M&A market remains stable, the growth is driven by an increase in high value PE buyouts and PE/VC investments, supported by recovery in the IPO market.

Singapore has been the driving force behind the M&A, PE/VC and IPO deals, contributing over US\$ 100 billion to the value. There have been about 20 plus deals, in 2017, valued at over a billion US dollars each.

Approximately 72% of the M&A value in Singapore has come from outbound acquisitions and this includes a robust level of activity by the Sovereign Wealth Funds (SWF’s). Real Estate continues to maintain its position as the top sector with Technology at the second spot. Along with Healthcare, the top 3 sectors accounted for 71% of total M&A deal values in Singapore.

The PE/VC investments in Singapore in 2017 achieved record levels over the past 5 years with 125 deals with an aggregate value of US\$ 22.8 billion, mainly driven by sizeable multi-billion dollar buyouts in Singapore.

The IPO capital raised in Singapore has doubled this year in value terms, setting a four-year record high, raising US\$ 3.7 billion during 2017 compared to US\$ 1.9 billion in 2016.

Malaysia has seen a strong momentum in deal activity with total deals in M&A, PE/VC and IPO valued at US\$ 20.3 billion in 2017 compared to US\$ 15.6 billion in 2016. This is the highest deal value we have seen for any year, since we started tracking Malaysian deals in 2013. Deal activity in Indonesia has maintained similar levels for 2017 with total deal values at US\$ 9.6 billion, driven by sizeable transactions in the Technology, Materials and Agriculture sectors.

In spite of the slight decrease in global deal activity in 2017, it is encouraging to see the transaction values in the region exceed the historic highs in 2015. We are witnessing the lines between the M&A and PE/VC investments blur and notice that several transactions could fall in either category, as strategic investors make minority investments and financial investors take controlling stakes.

This year, we have seen several positive trends including a pick-up in interest in overall transaction activity, large buyout deals, considerable PE/VC investments in several sectors, significant activity in the technology sector and a notable recovery in the IPO markets. It is heartening to see a pick-up in energy sector transactions, a continued trend of companies in Singapore of acquiring global businesses, 3 IPOs back-to-back in the same year in the new economy sector from Singaporean companies and many more other reassuring developments.

With the strong regional demographics, globalization and increased interest from Asian and global investors in the region, spur in technology penetration, and efforts by the Government bodies to encourage investments and more focus on intellectual property, we see the positive deal momentum continuing into the future.

We hope you enjoy reading this report and look forward to your feedback.

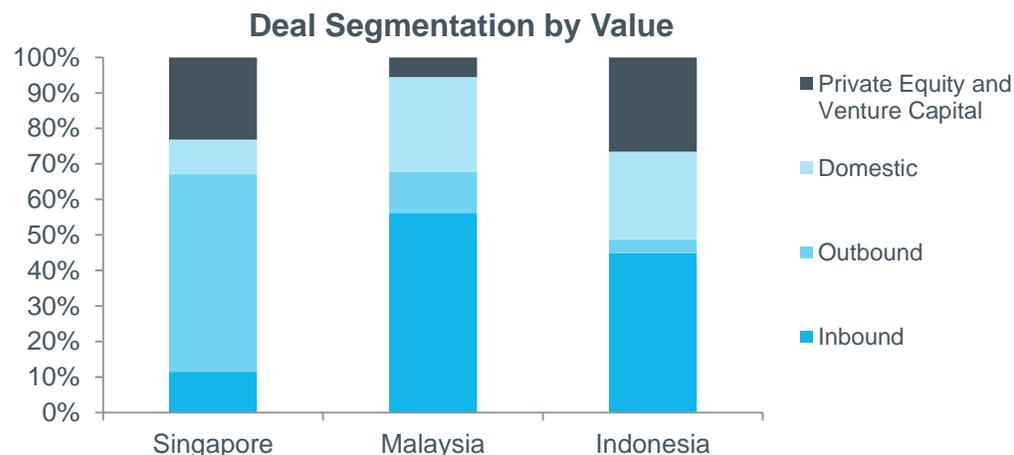


**Srividya C. Gopalakrishnan**  
Managing Director  
Duff & Phelps Singapore Pte Ltd

# Annual 2017 Deal Round-Up

| Deal Summary                            | Singapore  |                      | Malaysia   |                      | Indonesia  |                      | Grand Total  |                      |
|---|------------|----------------------|------------|----------------------|------------|----------------------|--------------|----------------------|
|   | Deal Vol.  | Deal Value (US\$ Mn) | Deal Vol.  | Deal Value (US\$ Mn) | Deal Vol.  | Deal Value (US\$ Mn) | Deal Vol.    | Deal Value (US\$ Mn) |
| 2017 (YTD Nov' 17)                      |            |                      |            |                      |            |                      |              |                      |
| Inbound                                 | 182        | 11,268               | 138        | 10,457               | 86         | 4,041                | 406          | 25,766               |
| Outbound                                | 357        | 54,586               | 71         | 2,163                | 8          | 352                  | 436          | 57,101               |
| Total Cross Border                      | 539        | 65,854               | 209        | 12,620               | 94         | 4,393                | 842          | 82,867               |
| Domestic                                | 159        | 9,582                | 199        | 4,953                | 43         | 2,225                | 401          | 16,759               |
| <b>Total Merger and Acquisitions</b>    | <b>698</b> | <b>75,436</b>        | <b>408</b> | <b>17,573</b>        | <b>137</b> | <b>6,618</b>         | <b>1,243</b> | <b>99,626</b>        |
| Intra-Regional Deals                    |            |                      |            |                      |            |                      | 65           | 1,581                |
| Net Total Mergers and Acquisitions      |            |                      |            |                      |            |                      | <b>1,178</b> | <b>98,045</b>        |
| Private Equity and Venture Capital      | 125        | 22,787               | 23         | 1,037                | 35         | 2,395                | 183          | 26,219               |
| <b>Total M&amp;A, PE &amp; VC</b>       | <b>823</b> | <b>98,223</b>        | <b>431</b> | <b>18,609</b>        | <b>172</b> | <b>9,013</b>         | <b>1,361</b> | <b>124,264</b>       |
| Initial Public Offerings (IPOs)         | 19         | 3,695                | 14         | 1,647                | 26         | 625                  | 59           | 5,967                |
| <b>Total M&amp;A, PE &amp; VC, IPOs</b> | <b>842</b> | <b>101,918</b>       | <b>445</b> | <b>20,256</b>        | <b>198</b> | <b>9,638</b>         | <b>1,420</b> | <b>130,232</b>       |

The overall transaction value in the region saw a record high of over US\$ 130 billion, exceeding the historic high in 2015 of US\$ 115 billion, driven by a significant increase in PE buyouts.



## Deal Highlights

A total of 1,420 M&A, PE/VC, IPO deals were recorded in Singapore, Malaysia and Indonesia (the "region") for 2017 with a combined value of US\$ 130.2 billion.

**Singapore** recorded a total M&A deal volume of 698 deals during this period, valued at US\$ 75.4 billion, compared to US\$ 82.7 billion in 2016. Outbound deals accounted for about 72% of the total deal value compared to 66% in 2016, followed by inbound deals (15% of total deal value) which stayed at similar levels compared to 2016. Domestic deals accounted for 13% of total transacted value.

During the same period, Singapore witnessed 125 PE/VC investments amounting to approximately US\$ 22.8 billion.

IPO listings in Singapore witnessed a significant recovery in 2017, with IPO capital raised in 2017 amounting to approximately US\$ 3.7 billion compared to US\$ 1.9 billion for 2016.

**Malaysia** recorded a total of 408 M&A deals during the year, valued at US\$ 17.6 billion, where inbound deals accounted for majority of deal value by capturing a share of 60%.

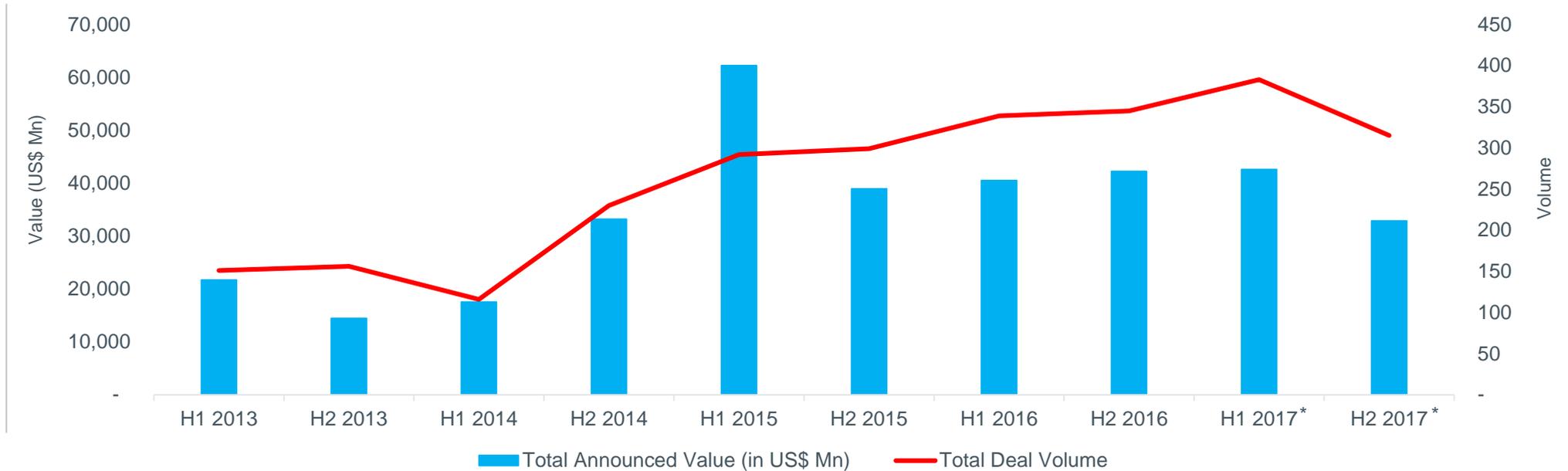
**Indonesia** recorded a reduction in M&A deal value in 2017 with M&A deals amounting to approximately US\$ 6.6 billion compared to US\$ 8.4 billion in 2016.

**Regional PE/VC** investments achieved a 5-year record high with a combined deal value of US\$ 26.2 billion for 2017 which was driven by sizeable PE/VC investments in Singapore.<sup>2</sup>

# 2017 Deal Round-Up

M&A deal volume has maintained its momentum over the past three years, however transaction values recorded in 2017 were lower compared to 2016 and 2015, while the volumes continue to show an uptick.

## Singapore M&A Half-Yearly Trend Analysis



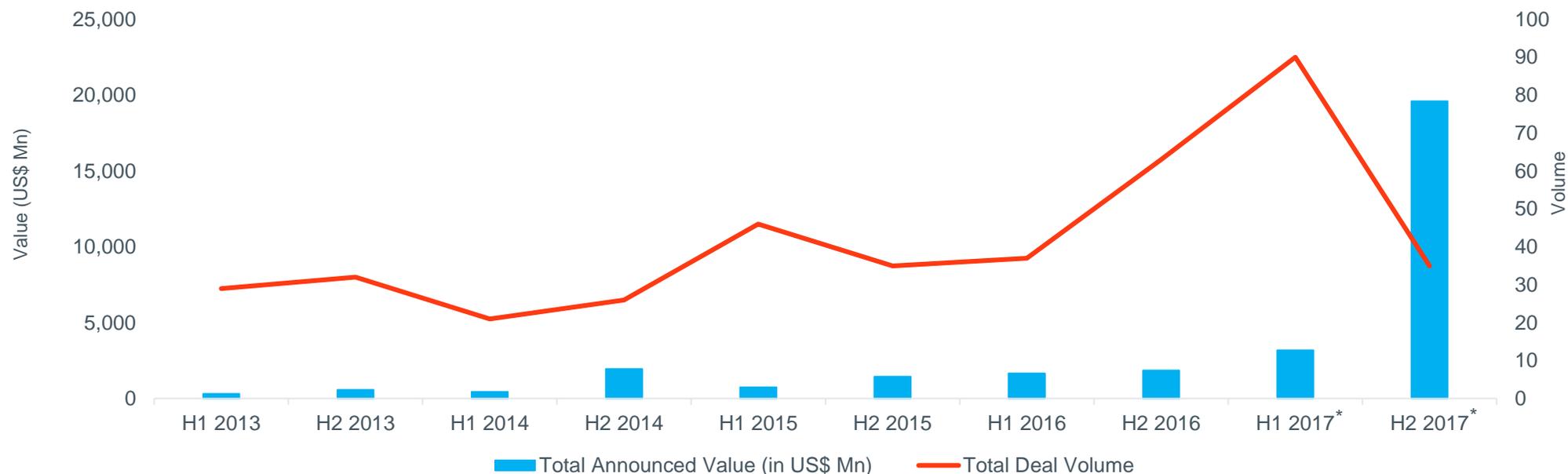
| 2013            |        | 2014            |        | 2015            |        | 2016            |        | 2017            |        |
|-----------------|--------|-----------------|--------|-----------------|--------|-----------------|--------|-----------------|--------|
| Value (US\$ Mn) | Volume |
| 36,129          | 307    | 50,728          | 346    | 101,171         | 591    | 82,712          | 684    | 75,436          | 698    |

\* H1 2017 and H2 2017 deal data taken from the period between December 2016 to June 2017; and July 2017 to November 2017 respectively.

# 2017 Deal Round-Up

PE/VC investment witnessed a new record high with US\$ 22.8 billion investment attained in 2017, mainly driven by sizeable PE/VC buyouts, including the privatization of Global Logistic Properties Limited and the acquisition of Equis Energy which accounted for more than 70% of PE/VC deal value in Singapore.

## Singapore PE/VC Half-Yearly Trend Analysis



| 2013            |        | 2014            |        | 2015            |        | 2016            |        | 2017            |        |
|-----------------|--------|-----------------|--------|-----------------|--------|-----------------|--------|-----------------|--------|
| Value (US\$ Mn) | Volume |
| 883             | 61     | 2,400           | 47     | 2,182           | 81     | 3,503           | 100    | 22,787          | 125    |

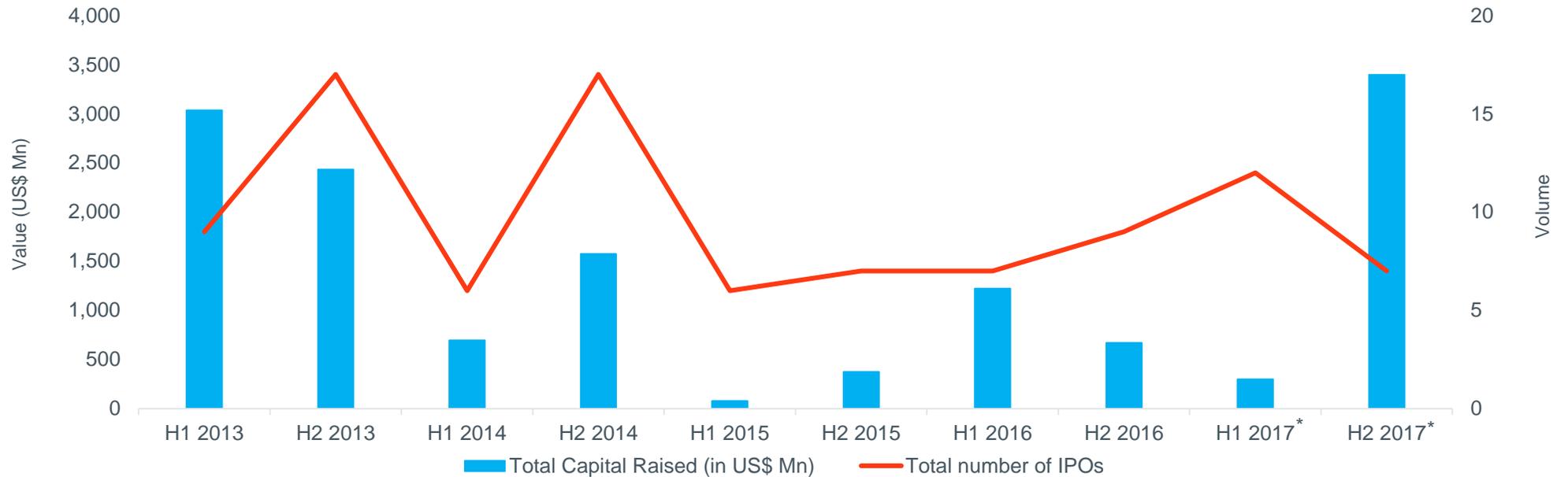
\* H1 2017 and H2 2017 deal data taken from the period between December 2016 to June 2017; and July 2017 to November 2017 respectively.

# 2017 Deal Round-Up

IPO performance continued its growth into 2017 in volume and saw a significant increase in value.

2017 witnessed close to a doubling of IPO capital raised compared to 2016.

## Singapore IPO Half-Yearly Trend Analysis



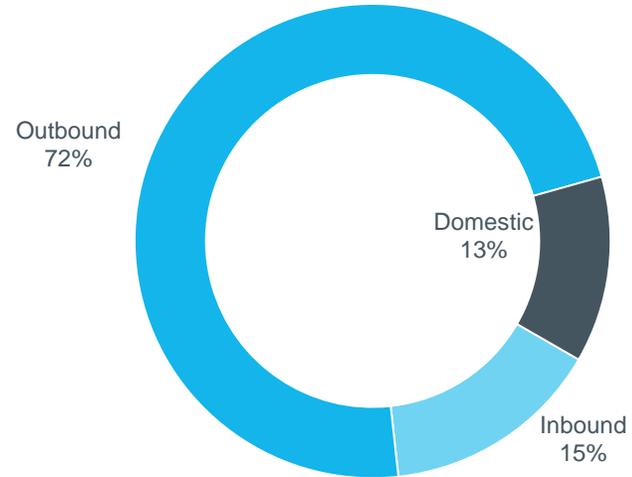
| 2013                     |                | 2014                     |                | 2015                     |                | 2016                     |                | 2017                     |                |
|--------------------------|----------------|--------------------------|----------------|--------------------------|----------------|--------------------------|----------------|--------------------------|----------------|
| Capital Raised (US\$ Mn) | Listing Volume |
| 5,469                    | 26             | 2,270                    | 23             | 451                      | 13             | 1,893                    | 16             | 3,695                    | 19             |

\* H1 2017 and H2 2017 deal data taken from the period between December 2016 to June 2017; and July 2017 to November 2017 respectively.

# Overview of Singapore M&A Activity



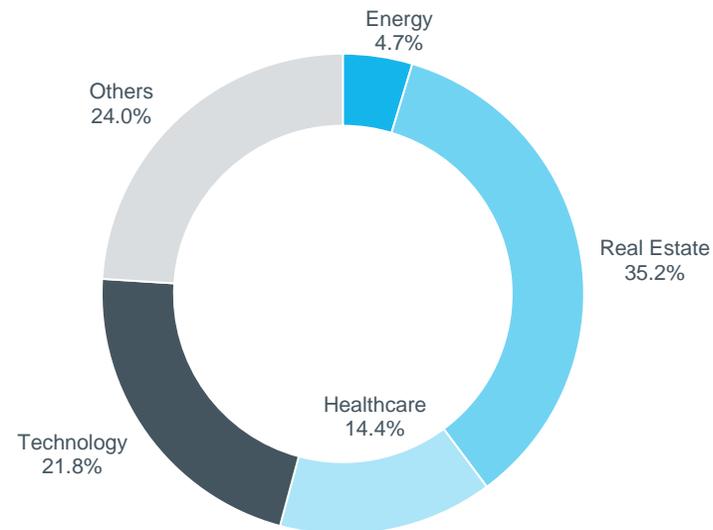
M&A Deal Value - % Share



A total of 698 M&A transactions took place in 2017, with a total announced value of US\$ 75.4 billion.

Real Estate was the dominant sector in 2017 with a total deal value of US\$ 26.5 billion accounting for more than a third of the value.

M&A Deal Value by Sector



Technology sector was the next most active sector which accounted for approximately 22% of the total value followed by Healthcare driven by GIC's involvement in the US\$ 9.1 billion acquisition of Pharmaceutical Product Development LLC.



Inbound

Top Sector:  
Real Estate



Outbound

Top Sector:  
Real Estate



Domestic

Top Sector:  
Real Estate

# Overview of Singapore M&A Activity

## Top M&A Deals in Singapore during 2017

| Acquirer                            | Target                                 | Target Sector      | Value (US\$ Mn) | % Stake Acquired | Type                          |
|-------------------------------------|--|--------------------|-----------------|------------------|-------------------------------|
| GIC Pte Ltd and others*             | Pharmaceutical Product Development LLC | Healthcare         | 9,100           | Not disclosed    | Minority                      |
| GIC Pte Ltd and others*             | Nets A/S                               | Technology         | 5,300           | 100              | Privatization and Delisting** |
| GIC Pte Ltd and others*             | Meituan-Dianping                       | Technology         | 4,000           | Not disclosed    | N/A                           |
| GIC Pte Ltd and others*             | NeuStar Inc                            | Telecommunications | 2,900           | 100              | Privatization and Delisting   |
| Global Logistic Properties Ltd      | Gazeley Ltd                            | Real Estate        | 2,818           | 100              | Acquisition                   |
| Exxon Mobil Corp                    | InterOil Corp                          | Energy             | 2,250           | 100              | Acquisition                   |
| GIC Pte Ltd, Hellman & Friedman LLC | Allfunds Bank SA                       | Technology         | 1,908           | 100              | Acquisition                   |

\*Others refers to a consortium of investors.

\*\*Pending completion of the privatization and delisting

GIC, along with its consortium partners, continue to dominate the top M&A deal value rankings with significant outbound investments made in the healthcare, technology and telecommunications sectors. These included notable privatization deals including Nets A/S (listed on Nasdaq Copenhagen) and NeuStar Inc. from the NYSE for US\$ 5.3 billion and US\$ 2.9 billion respectively.

# Overview of Singapore M&A Activity

## Top M&A (Non-Sovereign Wealth Fund) Deals in Singapore during 2017

| Acquirer                           | Target                      | Target Sector | Value (US\$ Mn) | % Stake Acquired | Type        |
|------------------------------------|-----------------------------|---------------|-----------------|------------------|-------------|
| Global Logistic Properties Ltd     | Gazeley Ltd                 | Real Estate   | 2,818           | 100              | Acquisition |
| Exxon Mobil Corp                   | InterOil Corp               | Energy        | 2,250           | 100              | Acquisition |
| MS&AD Insurance Group Holdings Inc | First Capital Insurance Ltd | BFSI          | 1,600           | 98               | Acquisition |
| Mapletree Investments Pte Ltd      | US Student Housings Assets  | Real Estate   | 1,600           | 100              | Acquisition |
| Mercatus Co-operative Ltd          | Jurong Point Mall           | Retail        | 1,568           | 100              | Acquisition |

Excluding SWF deals, significant deal activity included Global Logistics Properties' acquisition of Gazeley Ltd, a leading global provider of modern logistics facilities for US\$ 2.8 billion, Exxon Mobil's acquisition of InterOil for US\$ 2.3 billion<sup>1</sup>, MS&AD Insurance Group Holdings Inc's (Mitsui Sumitomo Insurance) acquisition of First Capital Insurance Ltd, and Mapletree's acquisition of some student housing assets in the US.

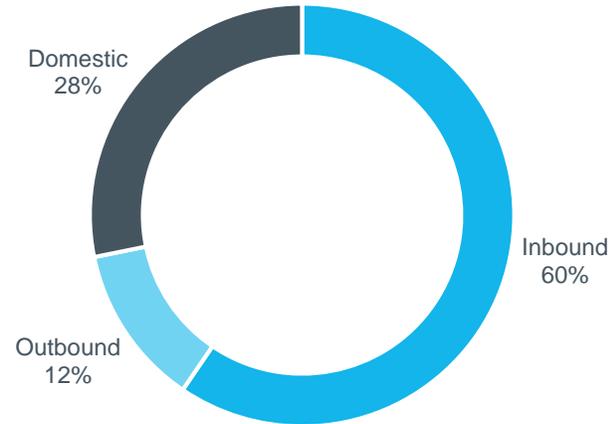
### Footnote

1. The acquisition of InterOil Corp by Exxon Mobil Corp, announced in 2015, finally closed at US\$ 2.3 billion this year after submission of a revised bid by the acquirer.

# Overview of Malaysia M&A Activity



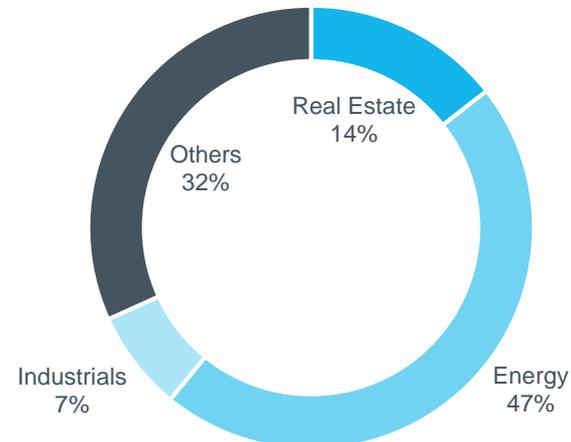
M&A Deal Value - % Share



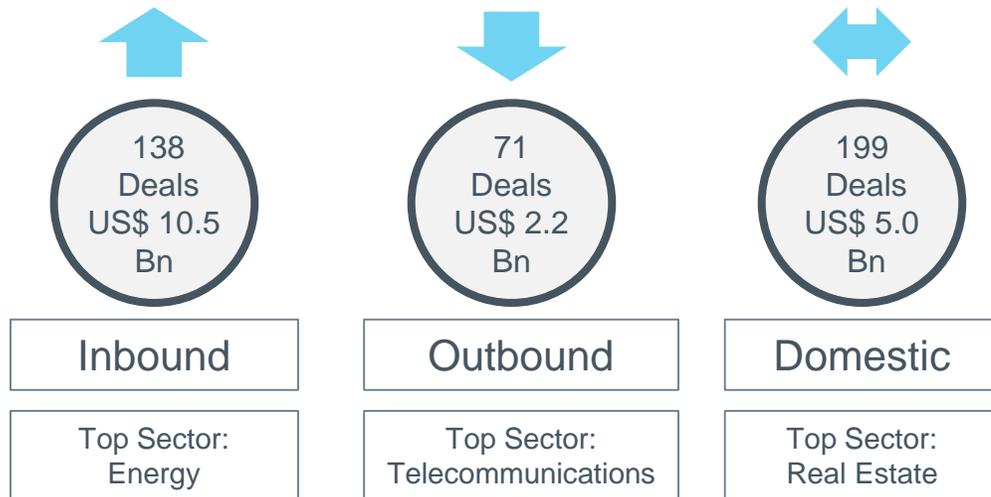
Malaysia witnessed M&A deal values at US\$ 17.6 billion, the highest in the past 5 years.

The Energy sector in Malaysia continues to witness high deal value activity for inbound M&A for Malaysia, with Real Estate being the top sector for domestic M&A.

M&A Deal Value by Sector



The two largest M&A transactions in 2017 for Malaysia were the acquisitions of 50% stake(s) in Refinery and Petrochemical Integrated Development and PRPC Polymers Sdn Bhd, both by Saudi Arabia's ARAMCO.



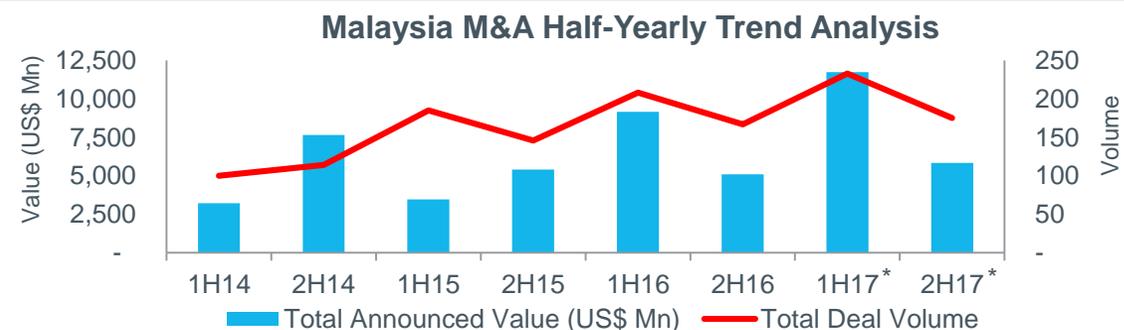
# Overview of Malaysia M&A Activity

## Top M&A Deals in Malaysia during 2017

| Acquirer  | Target  | Target Sector          | Value (US\$ Mn) | % Stake Acquired | Type        |
|---|---|------------------------|-----------------|------------------|-------------|
| ARAMCO  | Refinery and Petrochemical Integrated Development (RAPID) | Energy                 | 7,000           | 50               | Majority    |
| ARAMCO  | PRPC Polymers Sdn Bhd                                     | Materials              | 900             | 50               | Majority    |
| SP Setia Bhd Group  | I&P Group Sdn bhd   | Real Estate            | 851             | 100              | Acquisition |
| TNB International Sdn Bhd   | Solar assets  | Energy                 | 607             | 50               | Majority    |
| Sarawak Energy Bhd  | Sarawak Hidro Sdn Bhd                                     | Utilities              | 561             | 100              | Acquisition |
| Axiata Group Bhd  | Deodar Pvt Ltd  | Telecommunications     | 517             | 55               | Majority    |
| Malaysian Felda Investment Corporation (FIC) Properties Sdn Bhd                   | PT Eagle High Plantations                                 | Agriculture            | 505             | 37               | Minority    |
| PTT Exploration and Production Public Company Limited, PTT Public Company Limited | Petronas Lng 9 Sdn Bhd                                    | Energy                 | 500             | 10               | Minority    |
| Reza Group Saudi  | McDonald's franchise licenses                             | Consumer Discretionary | 400             | 100              | Acquisition |

| 2014            |        | 2015            |        | 2016            |        | 2017            |        |
|-----------------|--------|-----------------|--------|-----------------|--------|-----------------|--------|
| Value (US\$ Mn) | Volume |
| 10,871          | 214    | 8,870           | 331    | 14,253          | 375    | 17,573          | 408    |

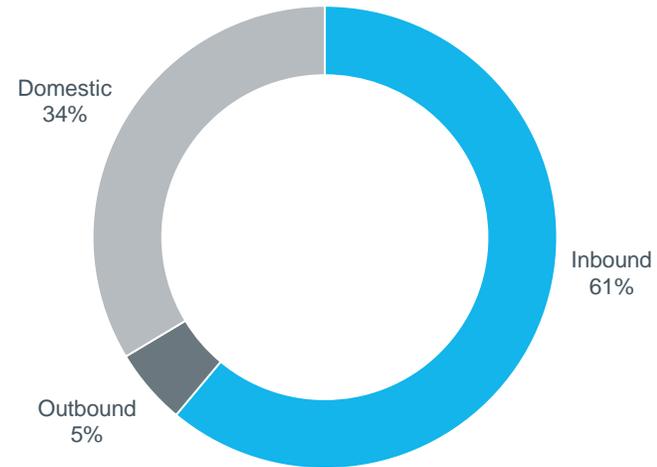
\* H1 2017 and H2 2017 deal data taken from the period between December 2016 to June 2017; and July 2017 to November 2017 respectively.



# Overview of Indonesian M&A Activity



M&A Deal Value - % Share

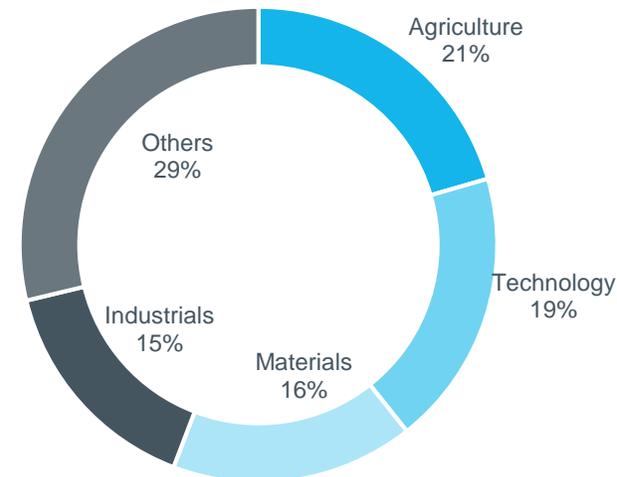


M&A deal volume reached a total of 137 deals in Indonesia with a total announced deal value of approximately US\$ 6.6 billion. Inbound M&A took up the majority share (61%) of total deal value.

Agriculture was the largest sector in value terms (reaching approximately US\$ 1.3 billion in 2017), followed by the Technology and Materials sectors.

Amongst the high value deals, Alibaba Group's investment in PT Tokopedia for US\$ 1.1 billion grabbed the headlines in August this year.

M&A Deal Value by Sector



Inbound

Top Sector:  
Agriculture



Outbound

Top Sector:  
Energy



Domestic

Top Sector:  
Industrials

# Overview of Indonesian M&A Activity

## Top M&A Deals in Indonesia during 2017

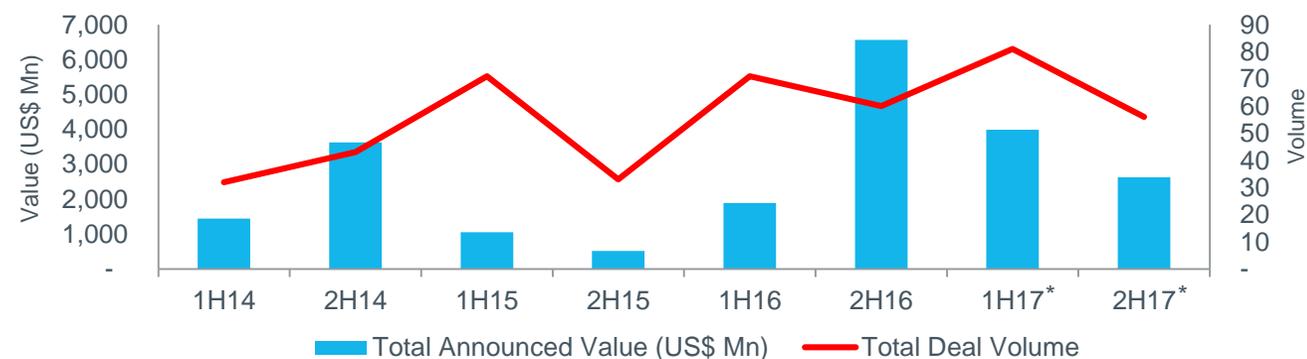
| Acquirer  | Target   | Target Sector | Value (US\$ Mn) | % Stake Acquired | Type                                  |
|---|--|---------------|-----------------|------------------|---------------------------------------|
| Alibaba Group Holding Ltd                                       | PT Tokopedia   | Technology    | 1,100           | Not Disclosed    | Not Applicable                        |
| PT Indika Energy Tbk  | PT Kideco Jaya Agung                                 | Materials     | 678             | 45               | Majority (Increasing from 46% to 91%) |
| Japan Tobacco Inc   | PT Karyadibya Mahardhika, PT Surya Mustika Nusantara | Agriculture   | 677             | 100              | Acquisition                           |
| Malaysian Felda Investment Corporation (FIC) Properties Sdn Bhd | PT Eagle High Planatation                            | Agriculture   | 505             | 37               | Minority                              |
| PT Minna Padi Investama Sekuritas                               | PT Bank Muamalat Indonesia Tbk                       | BFSI          | 333             | 51               | Majority                              |
| BP PLC  | Tanggung LNG Project                                 | Utilities     | 313             | 3                | Minority                              |

| 2014            |        | 2015            |        | 2016            |        | 2017            |        |
|-----------------|--------|-----------------|--------|-----------------|--------|-----------------|--------|
| Value (US\$ Mn) | Volume |
| 5,065           | 75     | 1,570           | 104    | 8,450           | 131    | 6,618           | 137    |

Indonesia deal activity in 2017 continued to witness a strong momentum in transaction volume, however M&A deal values were lower in 2017, with total deal values reaching US\$ 6.6 billion compared to approximately US\$ 8.4 billion in 2016.

\* H1 2017 and H2 2017 deal data taken from the period between December 2016 to June 2017; and July 2017 to November 2017 respectively.

## Indonesia M&A Half-Yearly Trend Analysis



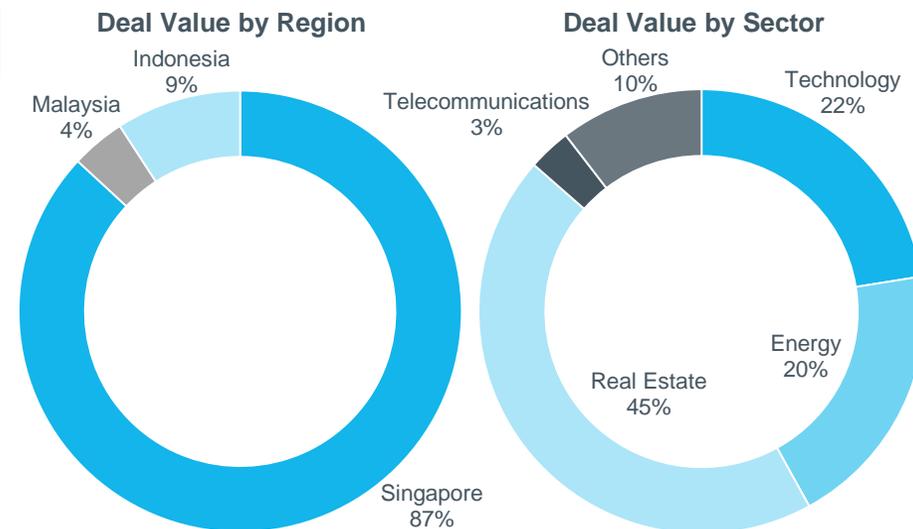
# Private Equity / Venture Capital Snapshot in the Region

## Top PE/VC Deals in the region for 2017

| Investor(s)  | Investee  | Sector             | Country   | Investment Value (US\$ mn) |
|--|---|--------------------|-----------|----------------------------|
| China Vanke Co Ltd, Hopu Investment Management, Hillhouse Capital Management Ltd and others*     | Global Logistic Properties Ltd                    | Real Estate        | Singapore | 11,600                     |
| Global Infrastructure Partners and others*   | Equis Energy                                      | Energy             | Singapore | 5,000                      |
| SoftBank Group Corp, Didi Chuxing and Toyota Tsusho Corp   | GrabTaxi Holdings Pte Ltd                         | Technology         | Singapore | 2,500                      |
| Tencent Holdings Ltd, JD.com Inc and others*   | PT GO-JEK Indonesia                               | Technology         | Indonesia | 1,200                      |
| Blackstone Group LP  | Croesus Retail Trust                              | Retail             | Singapore | 650                        |
| Innovation Network Corp of Japan, Khazanah Nasional Fund   | edotco Group Sdn Bhd                              | Telecommunications | Malaysia  | 600                        |
| Uni-President Enterprises Corp, JG Summit Holdings Inc, Hillhouse Capital Management and others* | Sea Ltd (formerly Garena Interactive Holding Ltd) | Technology         | Singapore | 550                        |
| Sequoia Capital, Expedia Inc, JD.com Inc and others*   | PT Traveloka Indonesia                            | Technology         | Indonesia | 500                        |
| Goldman Sachs Group Inc, TPG Capital LP  | AirTrunk Pte Ltd                                  | Technology         | Singapore | 306                        |
| Macquarie Group Ltd  | Oiltanking Odfjell Terminal Singapore Pte Ltd     | Materials          | Singapore | 300                        |

\*Others refers to a consortium of investors.

| Regional PE/VC | 2014        |            | 2015        |            | 2016        |            | 2017        |            |
|----------------|-------------|------------|-------------|------------|-------------|------------|-------------|------------|
| Deal summary   | Deal Volume | Deal Value |
| Singapore      | 47          | 2,400      | 81          | 2,182      | 100         | 3,503      | 125         | 22,787     |
| Malaysia       | 13          | 1,084      | 21          | 46         | 27          | 1,135      | 23          | 1,037      |
| Indonesia      | 6           | 230        | 26          | 460        | 33          | 1,474      | 35          | 2,395      |



PE/VC deals transacted in 2017 amounted to 183 deals with combined deal value of approximately US\$ 26.2 billion. For most large transactions in the PE/VC space, investors included both funds and corporates. Singapore was the largest contributor with total deal value of approximately US\$ 22.8 billion.

Real Estate was the top contributing sector in the region, accounting for an estimated 45% of deal values overtaking Technology after 2 years, mainly attributable to the US\$ 11.6 billion investment into Singapore-based Global Logistic Properties Ltd.

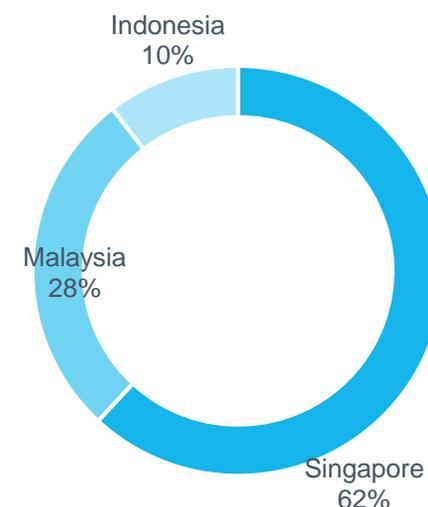
# Initial Public Offerings in the Region

## Top Initial Public Offerings in the Region during 2017

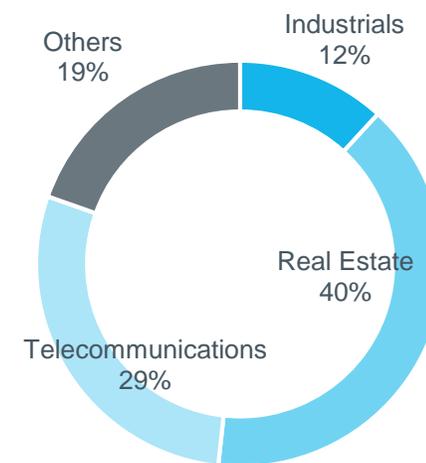
| Company Name                                 | Capital Raised (US\$ Mn) | Sector             | IPO Exchange       |
|--|--------------------------|--------------------|--------------------|
| NetLink NBN Trust                            | 1,711                    | Telecommunications | Singapore Exchange |
| Cromwell European Real Estate                | 1,000                    | Real Estate        | Singapore Exchange |
| Lotte Chemical Titan Holding Bhd             | 878                      | Materials          | Bursa Malaysia     |
| Eco World International Bhd                  | 580                      | Real Estate        | Bursa Malaysia     |
| Keppel-KBS US REIT                           | 553                      | Real Estate        | Singapore Exchange |
| HRnetGroup Ltd                               | 126                      | Industrials        | Singapore Exchange |
| PT Wijaya Karya Bangunan Gedung              | 96                       | Industrials        | Jakarta Exchange   |
| Serba Dinamik Holdings Bhd                   | 91                       | Industrials        | Bursa Malaysia     |
| PT Garuda Maintenance Facility Aero Asia Tbk | 85                       | Industrials        | Jakarta Exchange   |
| Dasin Retail Trust                           | 84                       | Real Estate        | Singapore Exchange |
| PT PP Presisi Tbk                            | 75                       | Industrials        | Jakarta Exchange   |
| KIP REIT                                     | 52                       | Real Estate        | Bursa Malaysia     |

| Regional IPOs | 2014           |                          | 2015           |                          | 2016           |                          | 2017           |                          |
|---------------|----------------|--------------------------|----------------|--------------------------|----------------|--------------------------|----------------|--------------------------|
|               | Listing Volume | Capital Raised (US\$ Mn) |
| Singapore     | 23             | 2,270                    | 13             | 451                      | 16             | 1,893                    | 19             | 3,695                    |
| Malaysia      | 13             | 1,011                    | 8              | 744                      | 11             | 214                      | 14             | 1,647                    |
| Indonesia     | 19             | 636                      | 13             | 765                      | 14             | 907                      | 26             | 625                      |

IPO Deal Value by Region



IPO Deal Value by Sector

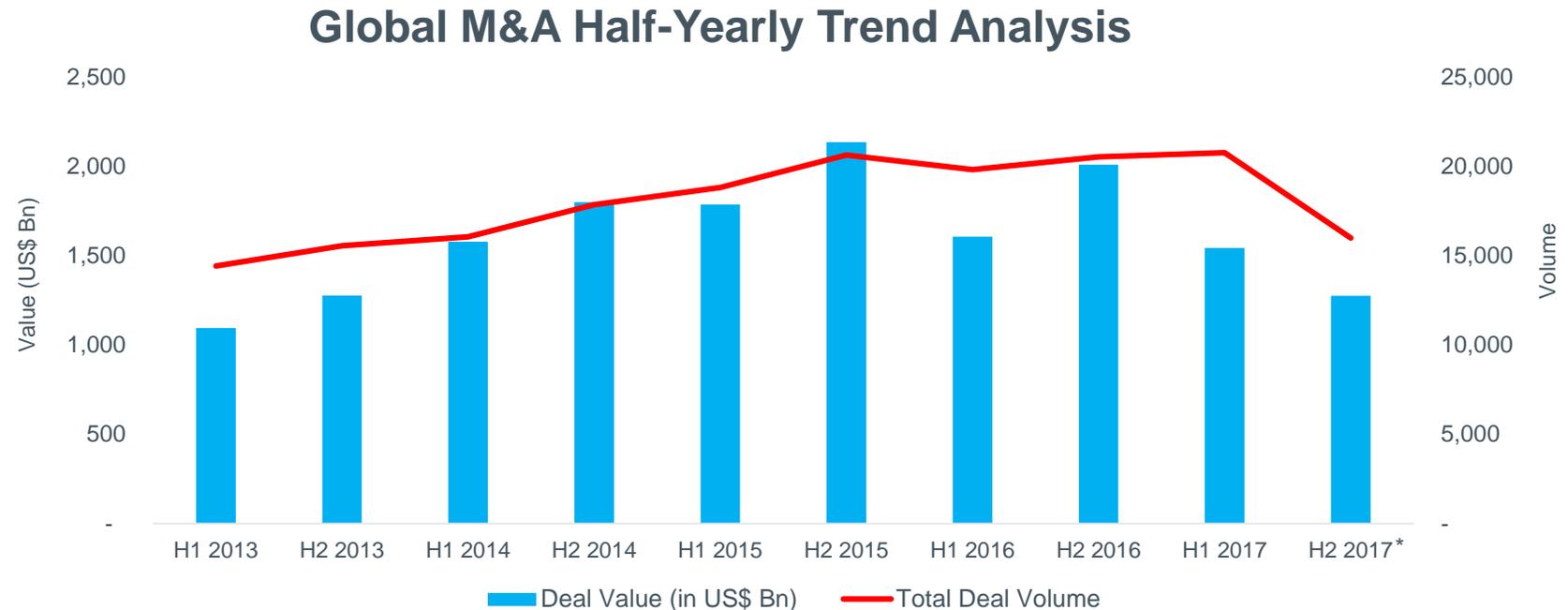


IPO listings in Singapore witnessed a four year high in 2017, doubling the capital raised (approximately US\$ 3.7 billion), compared to 2016 (approximately US\$ 1.9 billion). Malaysia also experienced significantly more capital raised in 2017 compared to 2016, due to the IPO of Lotte Chemical Titan which was the largest IPO in Malaysia in 2017 (total capital raised of US\$ 878 million).

# Special Features I: Global M&A Trends

During 2017 there were a total of 36,718 transactions, representing an aggregate deal value of US\$ 2,815 Bn.

Global M&A deal activity slowed in 2017 in both deal values and number of M&A transactions compared to 2016.



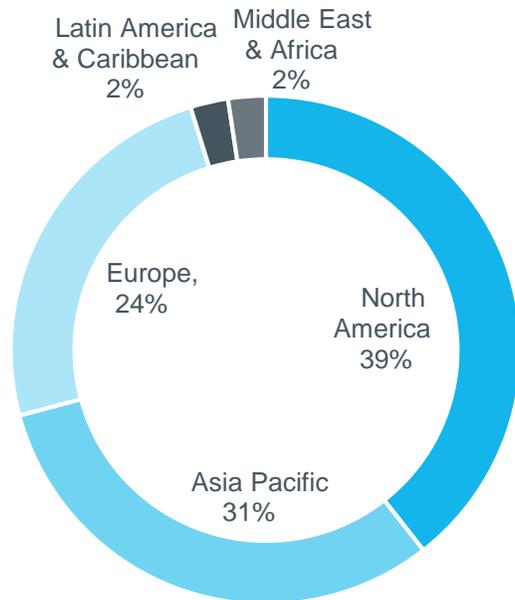
| 2013            |        | 2014            |        | 2015            |        | 2016            |        | 2017            |        |
|-----------------|--------|-----------------|--------|-----------------|--------|-----------------|--------|-----------------|--------|
| Value (US\$ Bn) | Volume |
| 2,369           | 29,954 | 3,373           | 33,873 | 3,917           | 39,420 | 3,612           | 40,305 | 2,815           | 36,718 |

Source: Bloomberg

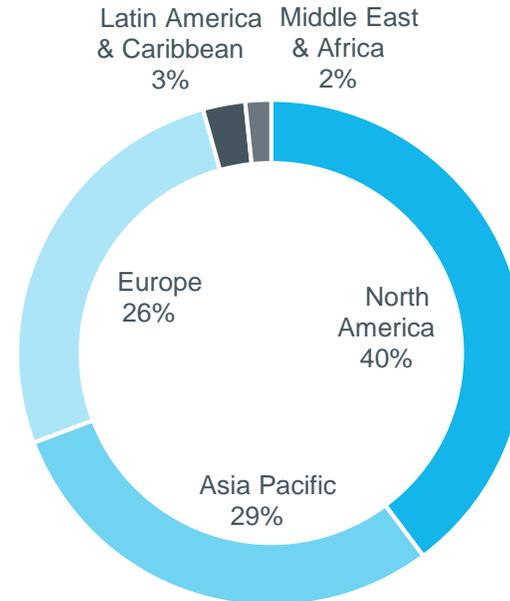
\* H2 2017 deal data taken from the period between July 2017 and November 2017.

# Special Features I: Global M&A Trends

## Global Regional Breakout by Volume



## Global Regional Breakout by Value



Approximately 39% of global deal volume and 40% of deal value occurred in North America.

Asia Pacific remained a key contributor ahead of Europe, accounting for 29% of global M&A values in 2017, higher than 2016 where it contributed approximately 25% to global M&A values.

# Special Features I: Global M&A Trends

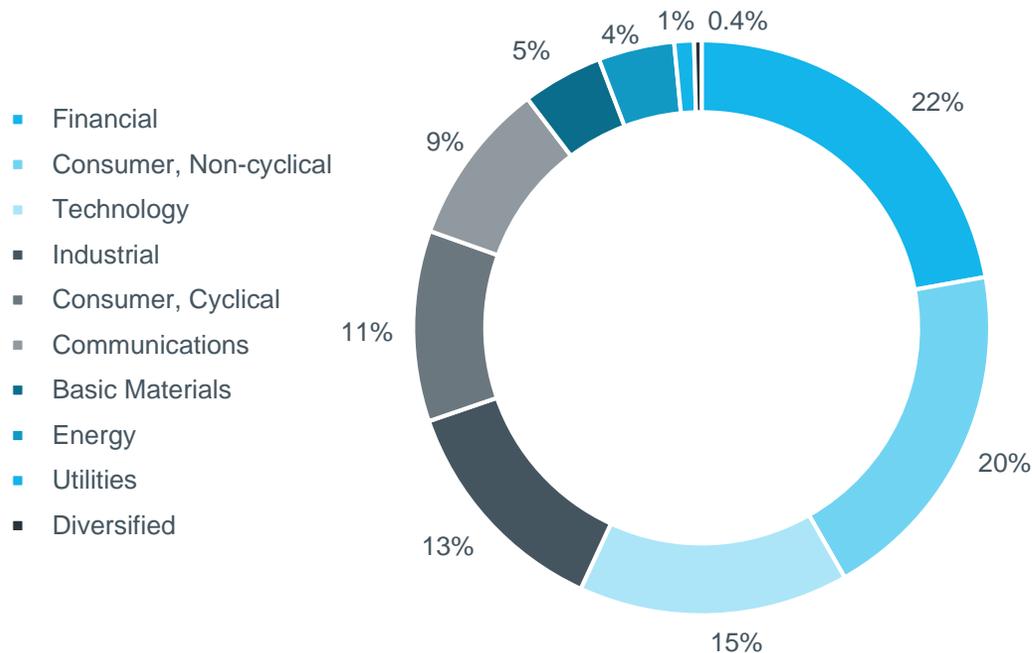
## Top 10 Global M&A Deals during 2017

| Acquirer                                | Target                      | Target Sector          | Value (US\$ Mn) | Proposed Stake Acquisition (%) | Type        |
|---|-----------------------------|------------------------|-----------------|--------------------------------|-------------|
| Praxair Inc                             | Linde AG                    | Basic Materials        | 42,123          | 100                            | Merger      |
| Atlantia SpA                            | Abertis Infraestructuras SA | Consumer, Non-cyclical | 34,388          | 100                            | Acquisition |
| China United Network Communications Ltd | China Unicom Hong Kong Ltd  | Communications         | 32,059          | 21                             | Majority    |
| United Technologies Corp                | Rockwell Collins Inc        | Industrial             | 30,174          | 100                            | Acquisition |
| Johnson & Johnson                       | Actelion Ltd                | Consumer, Non-cyclical | 29,762          | 100                            | Acquisition |
| Becton Dickinson & Co                   | CR Bard Inc                 | Consumer, Non-cyclical | 24,196          | 100                            | Acquisition |
| Twenty-First Century Fox Inc            | Sky PLC                     | Communications         | 22,602          | 61                             | Acquisition |
| Sempra Energy                           | Energy Future Holdings Corp | Utilities              | 18,800          | 100                            | Acquisition |
| Bain Capital, Apple                     | Toshiba Memory Corp         | Technology             | 17,955          | 100                            | Acquisition |
| Reckitt Benckiser Group PLC             | Mead Johnson Nutrition Co   | Consumer, Non-cyclical | 17,810          | 100                            | Acquisition |

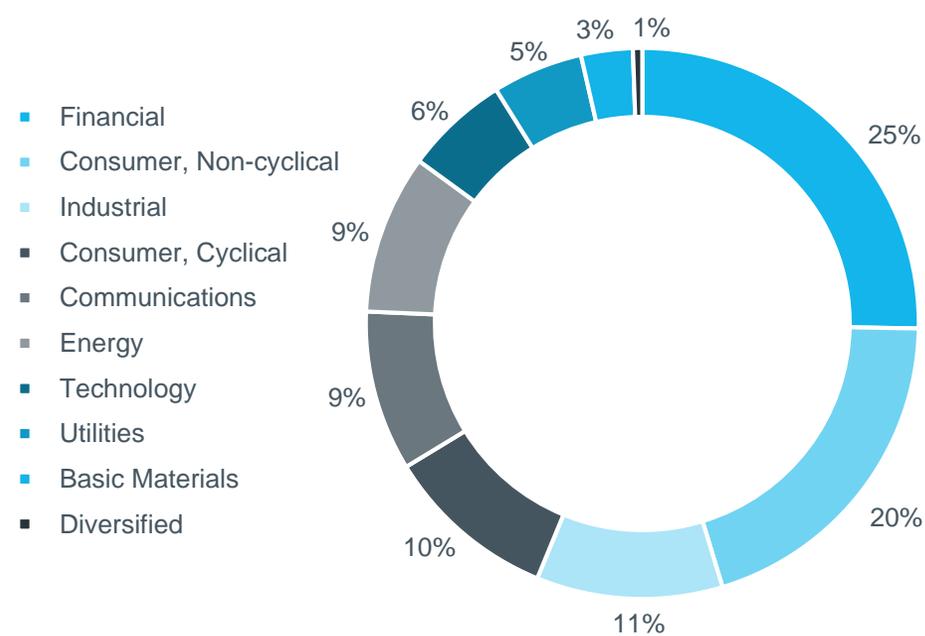
Source: Bloomberg

# Special Features I: Global M&A Trends

Transaction Sector Breakout by Volume



Transaction Sector Breakout by Value



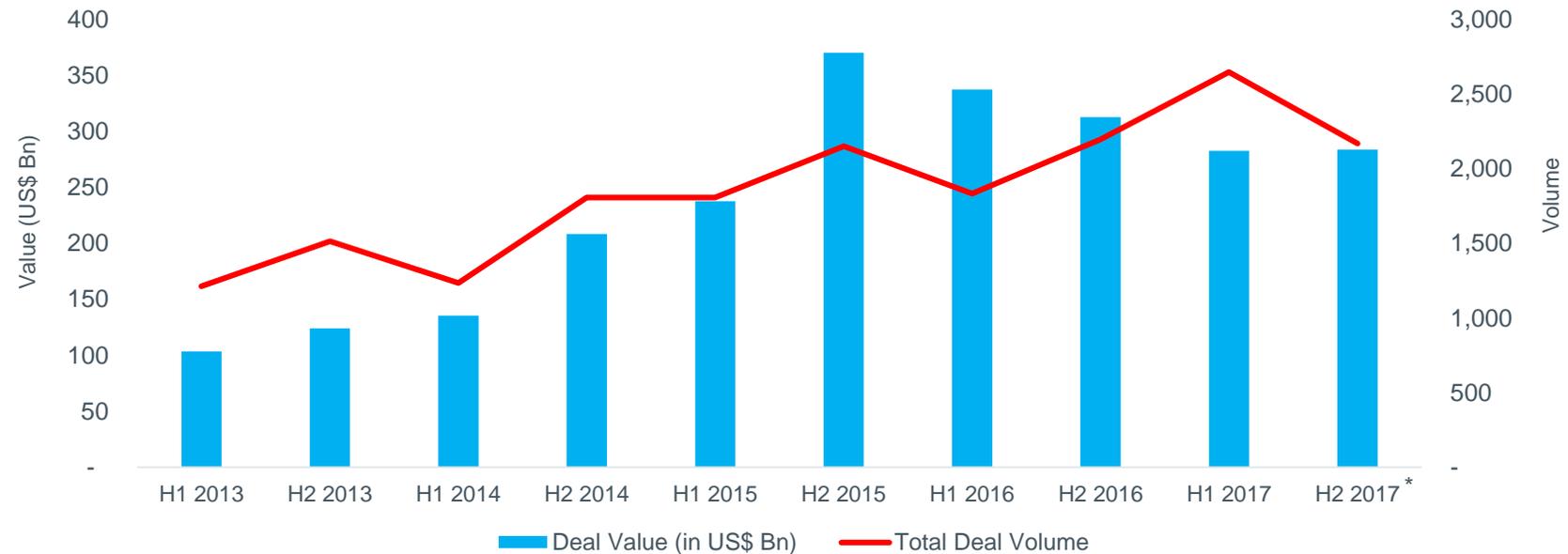
The Financial sector continued to be the most acquisitive in 2017 in terms of both volume and value, followed by the Consumer Non-cyclical sector.

# Special Features II: China M&A Trends

Overall, China M&A witnessed a sustained momentum in deal activity for 2017, with significantly higher deal volumes compared to 2016.

However M&A deal values for 2017 were lower compared to overall M&A deal values reached in 2015 and 2016 for China, due to regulatory pushback on large outbound deals.

## China M&A Half-Yearly Trend Analysis



| 2013            |        | 2014            |        | 2015            |        | 2016            |        | 2017            |        |
|-----------------|--------|-----------------|--------|-----------------|--------|-----------------|--------|-----------------|--------|
| Value (US\$ Bn) | Volume |
| 228             | 2,729  | 344             | 3,044  | 608             | 3,960  | 650             | 4,032  | 567             | 4,819  |

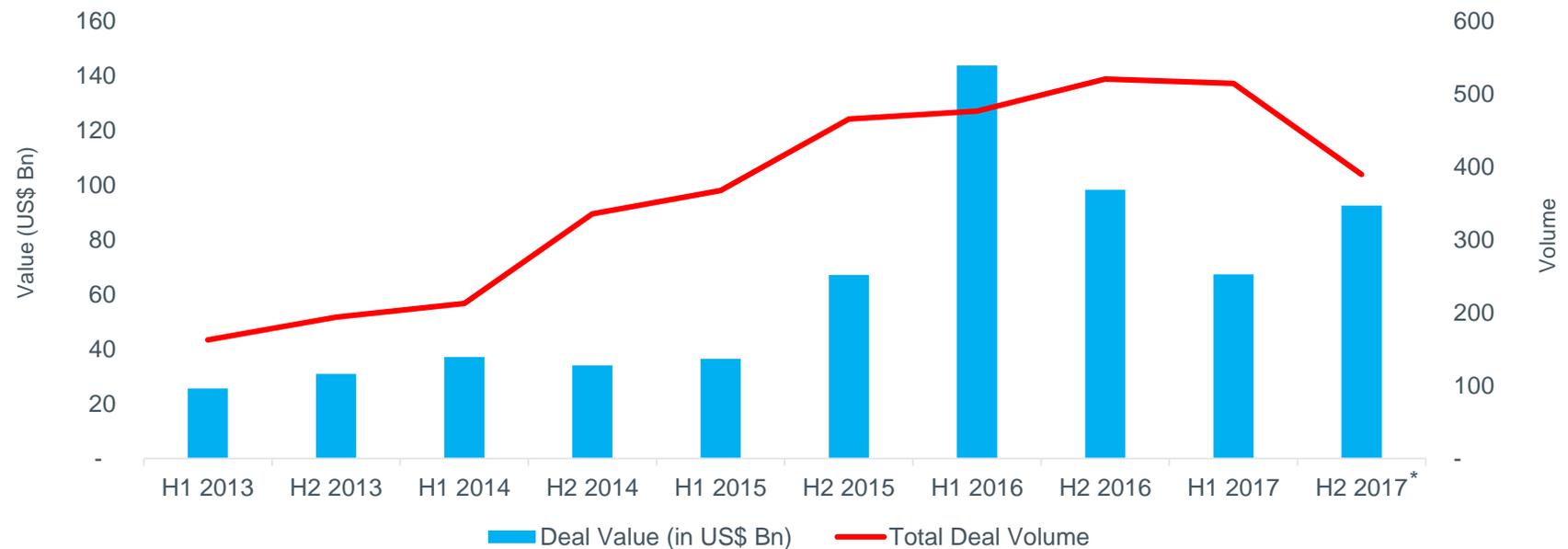
Source: Bloomberg

\* H2 2017 deal data taken from the period between July 2017 and November 2017.

# Special Features II: China M&A Trends

China's outbound M&A witnessed a decline in deal value over 2017, due to restrictions imposed by the Chinese government for China outbound foreign investment.

## China Outbound M&A Half-Yearly Trend Analysis



| 2013            |        | 2014            |        | 2015            |        | 2016            |        | 2017*           |        |
|-----------------|--------|-----------------|--------|-----------------|--------|-----------------|--------|-----------------|--------|
| Value (US\$ Bn) | Volume |
| 57              | 357    | 71              | 549    | 104             | 834    | 242             | 998    | 160             | 905    |

Source: Bloomberg

\* H2 2017 deal data taken from the period between July 2017 and November 2017.

# Special Features II: China M&A Trends

## Top 10 China M&A Deals during 2017

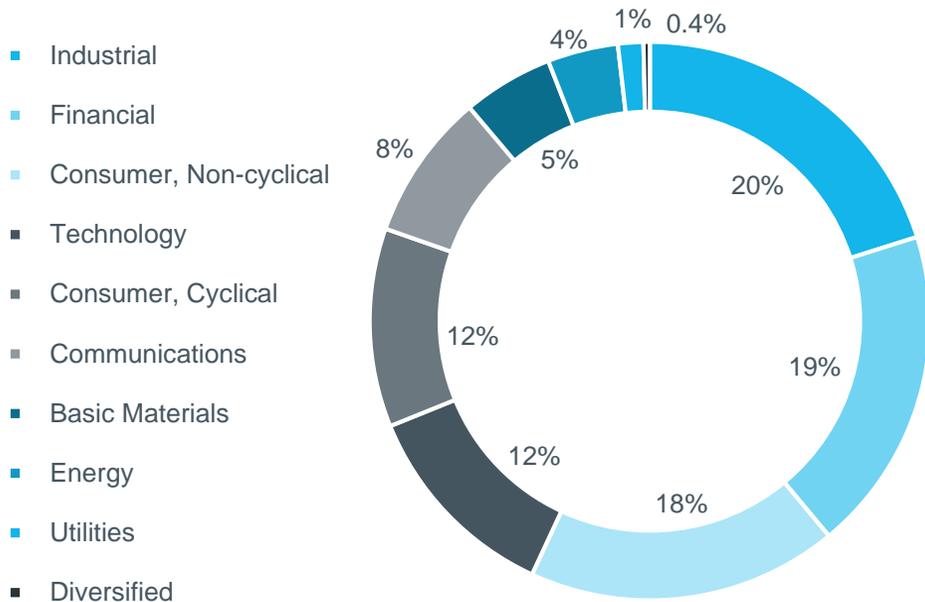
| Acquirer  | Target  | Target Sector      | Value (US\$ Mn) | Proposed Stake Acquisition (%) | Type        |
|---|---|--------------------|-----------------|--------------------------------|-------------|
| China United Network Communications Ltd                                     | China Unicom Hong Kong Ltd                                  | Communications     | 32,059          | 21                             | Majority    |
| China Vanke Co. Ltd & Others*   | Global Logistic Properties Ltd                              | Financial          | 16,019          | 100                            | Acquisition |
| China Investment Corp   | Logicor Europe Ltd  | Financial          | 13,806          | 100                            | Acquisition |
| Shandong Highway Construction Group Co. Ltd & Others*                       | Hengda Real Estate Group Co. Ltd                            | Financial          | 9,045           | 14                             | Minority    |
| CEFC International Equity Investment Co. Ltd                                | Rosneft Oil Co PJSC   | Energy             | 8,958           | 14                             | Minority    |
| Shanghai International Port Group Co. Ltd & COSCO Shipping Holdings Co. Ltd | Orient Overseas International Ltd                           | Industrial         | 8,403           | 100                            | Acquisition |
| China Vanke Co. Ltd   | Guangdong International Trust & Investment and subsidiaries | Financial          | 8,145           | 100                            | Acquisition |
| Shum Yip Group Ltd & Others*  | Hengda Real Estate Group Co. Ltd                            | Financial          | 5,806           | 14                             | Minority    |
| CDH Investments Fund Management Co & Others*                                | Belle International Holdings Ltd                            | Consumer, Cyclical | 5,725           | 100                            | Acquisition |
| China Merchants Bank Co. Ltd & Others*                                      | Xiaoju Kuaizhi Inc  | Communications     | 5,500           | Not disclosed                  | Minority    |

\*Others refers to a consortium of investors.

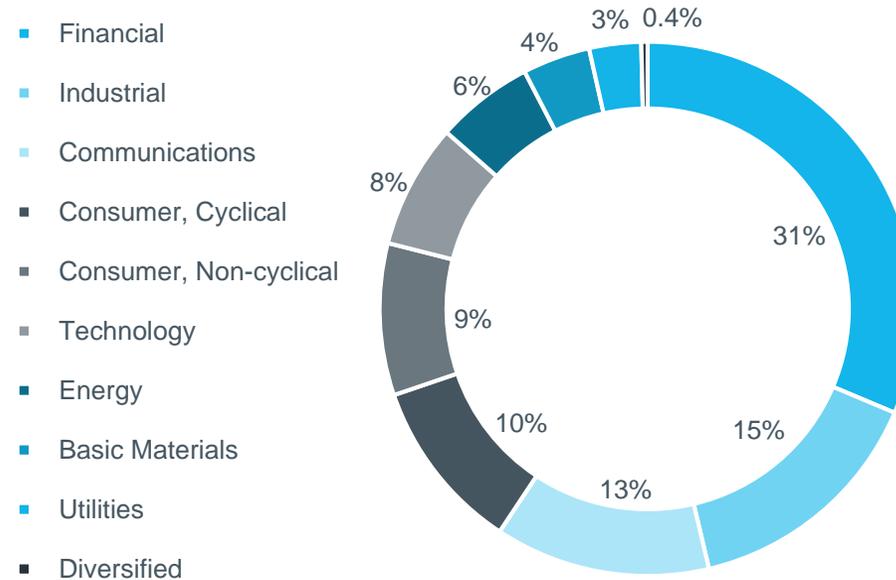
# Special Features II: China M&A Trends

## China M&A Trends

### Transaction Sector Breakout by Volume



### Transaction Sector Breakout by Value



The Financial and Industrial sectors led the China M&A market in terms of the deal volume however, the Financial sector captured the larger deals in terms of overall deal value.

# Special Features III: Tech Start-up

## Top 10\* Tech Start-up Deals in the Region during 2017

| Target                      | Acquirer/Investor  | Target Country | Target Sub-Sector      | Proceeds (US\$ Mn) | Deal Type   |
|-----------------------------|--|----------------|------------------------|--------------------|-------------|
| GrabTaxi Holdings Pte Ltd   | Softbank Group Corp, Didi Chuxing and Toyota Tsusho Corp   | Singapore      | Transportation         | 2,500              | Investment  |
| PT GO-JEK Indonesia         | Tencent Holdings Ltd, JD.com Inc and other consortium investors  | Indonesia      | Transportation         | 1,200              | Investment  |
| PT Tokopedia                | Alibaba Group Holding Ltd  | Indonesia      | E-Commerce             | 1,100              | Acquisition |
| Lazada Group SA             | Alibaba Group Holding Ltd  | Singapore      | E-Commerce             | 1,000              | Acquisition |
| Sea Ltd (formerly Garena)   | Cathay Financial Holding Co Ltd, Hillhouse Capital Management Ltd, Farallon Capital Management LLC, GDP Venture and other consortium investors | Singapore      | Internet Services      | 550                | Investment  |
| PT Traveloka Indonesia      | Sequoia Capital, Expedia Inc, Hillhouse Capital Management Ltd and East Ventures   | Indonesia      | Online Travel Bookings | 500                | Investment  |
| AirTrunk Pte Ltd            | Goldman Sachs Group Inc and TPG Capital LP   | Singapore      | Data Centers           | 306                | Investment  |
| iFlix Sdn Bhd               | EDBI Pte Ltd, Catcha Group Sdn Bhd, Jungle Ventures Pte Ltd and other consortium investors   | Malaysia       | Digital Entertainment  | 133                | Investment  |
| PT Kudo Teknologi Indonesia | GrabTaxi Holdings Pte Ltd  | Indonesia      | Information Technology | 100                | Acquisition |
| iFlix Sdn Bhd               | Naspers Ltd, Sky PLC, Mobile Telecommunications Co KSC and other consortium investors  | Indonesia      | Information Technology | 90                 | Investment  |

Over the last 3 years, the Technology sector has been one of the largest contributors to deal-making activity in the region. PE/VC investment in the region's Technology sector increased by approximately 9 times from US\$ 672 million in 2015 to US\$ 5.9 billion in 2017. Transportation and e-commerce sub-sectors constituted the top Technology deals during 2017.

\*Based on disclosed funding and investors.

# Special Features III: Tech Start-up

## Bourses Step-Up on Initiatives to Attract Tech IPOs

### Singapore Exchange (SGX)

- In May 2017, SGX partnered with Infocomm Media Development Authority to facilitate IPO process for tech startups.
- In July 2017, SGX allowed dual-class share structures (DCS)<sup>[1]</sup> for secondary listings of companies with a primary listing in the developed markets.<sup>[2]</sup> DCS structures are increasingly preferred by tech companies.
- Over the past 2-3 years, SGX has partnered with companies including, Crowdonomic Media, PwC's Venture Hub and Clearbridge Accelerator, to enable start-ups, and small and medium enterprises raise funds via crowdfunding.

### Bursa Malaysia

- In July 2017, Bursa Malaysia launched Leading Entrepreneur Accelerator Platform (LEAP) Market to encourage small and medium enterprises to raise funds through IPO.

### Hong Kong Exchanges and Clearing (HKEX)

- In June 2017, HKEX and Hong Kong Science and Technology Parks Corporation jointly launched a Road to IPO platform for high potential tech companies.
- HKEX also launched a consultation paper to establish a New Board which would allow new economy<sup>[3]</sup> pre-profit firms to list, permit DCS structures and allow secondary listings of Mainland Chinese companies.
- Following the mixed reactions of investors to the New Board proposal and successful listings of tech companies in the Hong Kong market during 2017, HKEX is reported to be evaluating its plans to set up the New Board and instead considering amending existing listing rules.

### Indonesia Stock Exchange (IDX)

- In March 2017, IDX launched a business incubator program to help start-ups develop their businesses and prepare for IPO.
- During 2017, Indonesian e-commerce start-up, Koison, became the first tech start-up to be listed on the IDX.

<sup>[1]</sup> DCS structures comprise a class of stock, often distributed to founding shareholders, that carries more voting rights than the ordinary shares sold to the public.

<sup>[2]</sup> Developed markets refer to any of the 22 markets which are classified as developed by the international index providers, FTSE and MSCI.

<sup>[3]</sup> New Economy includes sectors like internet, biotechnology and others.

Source: Media articles

# Special Features III: Tech Start-up

## Top IPOs of Singapore-Based Tech Companies during 2017

### NetLink NBN

Licenses its network for broadband, Internet-protocol TV and VoIP services, fiber connections and other non-fiber ancillary services

|                |                          |
|----------------|--------------------------|
| Listing Date   | 19 July 2017             |
| Funds Raised   | US\$ 1.7 billion         |
| IPO Valuation  | US\$ 2.3 billion         |
| Stock Exchange | Singapore Exchange (SGX) |

**Singapore's biggest IPO** in the past 6 years since Hutchison Port Holdings Trust raised US\$ 5.5 billion in 2011

### Sea Ltd (formerly Garena)

Internet platform company in the digital entertainment, e-commerce and digital financial service businesses

|                |                                    |
|----------------|------------------------------------|
| Listing Date   | 20 October 2017                    |
| Funds Raised   | US\$ 884.4 million                 |
| IPO Valuation  | US\$ 4.9 billion                   |
| Stock Exchange | The New York Stock Exchange (NYSE) |

**Southeast Asia's former most valuable unicorn** debuted at 8.4% above IPO price, but currently trades below IPO price

### Razer Inc

Designs, develops and sells gaming hardware, software and services

|                |  |
|----------------|--|
| Listing Date   | 13 November 2017                       |
| Funds Raised   | US\$ 528.0 million                     |
| IPO Valuation  | US\$ 6.3 billion                       |
| Stock Exchange | The Stock Exchange of Hong Kong (SEHK) |

The Singapore-founded company's IPO was **oversubscribed by more than 290 times** by retail investors

Singapore's supportive ecosystem for tech startups has positioned it as a desirable jurisdiction to operate for tech companies. However, such companies seem to prefer the United States or Hong Kong for IPO possibly due to relatively better liquidity, option for dual-class share structures and apparent market appetite for pre-profit stage listings.

# Special Features III: Tech Start-up

## Top IPOs of Tech Companies on the Stock Exchange of Hong Kong during 2017

### ZhongAn Insurance

|  |                   |
|--|-------------------|
| China's first online-only insurance firm owned by Tencent, Alibaba and Ping An Insurance |                   |
| Listing Date   | 21 September 2017 |
| Funds Raised   | US\$ 1.5 billion  |
| IPO Valuation  | US\$ 10.0 billion |
| Stock Exchange   | China             |

**Asia's largest ever financial technology IPO**

### Yixin Group

|  |                    |
|--|--------------------|
| China's largest online car retailing platform backed by Tencent and JD.com |                    |
| Listing Date   | 16 November 2017   |
| Funds Raised   | US\$ 867.0 million |
| IPO Valuation  | US\$ 8.2 billion   |
| Stock Exchange   | China              |

The company's IPO was **oversubscribed by 560 times** by retail investors

### China Literature Limited

|   |                   |
|---|-------------------|
| China's largest online publishing and e-book company owned by Tencent |                   |
| Listing Date  | 8 November 2017   |
| Funds Raised  | US\$ 1.1 billion  |
| IPO Valuation   | US\$ 12.0 billion |
| Stock Exchange  | China             |

The company's shares surged by more than 80% upon IPO, making it the **biggest first-day gain for a large IPO globally in 2017**

During 2017, investors in the Hong Kong market embraced tech IPOs backed by well-known business giants which reflected positive market sentiments for new economy companies. As an attempt to leverage on this sentiment, tech unicorns such as Ant Financial, Lufax, Meituan-Dianping and Tencent Music Entertainment Group are reported to be considering IPOs on the Hong Kong Stock Exchange.

# Sector Definitions

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**BFSI (Banking, Financial Service and Insurance) — Includes Banks, Diversified Financial Services, and Insurance Services**

**Consumer Discretionary — Includes Consumer Durables, Apparel, Accessories and Luxury Goods, Hotels, Restaurants and Leisure**

**Consumer Staples — Includes consumer-focused sectors such as Food and Beverages, Breweries and Distilleries, Household and Personal Care Products, and Agricultural Products**

**Education — Schools, Colleges and Learning Centers**

**Energy — Includes sub-classifications such as Alternate Energy, Energy Equipment and Services, Oil & Gas Drilling, and Oil & Gas Equipment and Services**

**Healthcare — Includes Healthcare Providers and Services, Healthcare Equipment and Supplies, and Pharmaceuticals and Biotechnology**

**Industrials — Broadly includes Capital Goods, Construction and Engineering, Electrical Equipment, Industrial and Trading Conglomerates, Commercial Services and Supplies, Transportation Services and Infrastructure (includes air, marine and land transport)**

**Materials — Includes Specialty and Industrial Chemicals, Industrial Gases, Agricultural Fertilizers and Chemicals, Metal and Glass Containers, Paper and Plastic Products, Metals and Mining**

**Media and Communication — Includes Media, Advertising, Broadcasting and Cable TV, Movies and Entertainment and Publishing**

# Sector Definitions

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**Professional Services — Includes Consulting Services, Employment Services, Legal and Professional Organizations, and Environmental Services**

**Real Estate — Real Estate Management and Development, REITs**

**Retail — Includes Internet and Catalog Retail, Multiline Retail such as Hypermarkets and Supermarkets, and Specialty Retail**

**SWF – Sovereign Wealth Fund**

**Technology — Includes sub-classifications such as Hardware, Semiconductors, Software, Design, Manufacturing and Distribution of Technology, Technology Services**

**Telecommunication — Includes Telecommunication Equipment and Data Service Providers**

**Utilities — Power, Water**

**Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.**

## *Disclaimer*

Duff & Phelps's Transaction Trail is compiled from various information sources, including but not limited to industry sources and press and media releases. Duff & Phelps is not responsible for the accuracy or completeness of these information sources. All transactions are shown as reported without independent verification.

Annual Issue 2017 – Duff & Phelps's *Transaction Trail* is compiled based on the deal information available during the December 2016 to November 2017 period.

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