HERBERT SMITH FREEHILLS

ASIA PACIFIC M&A REVIEW 2019

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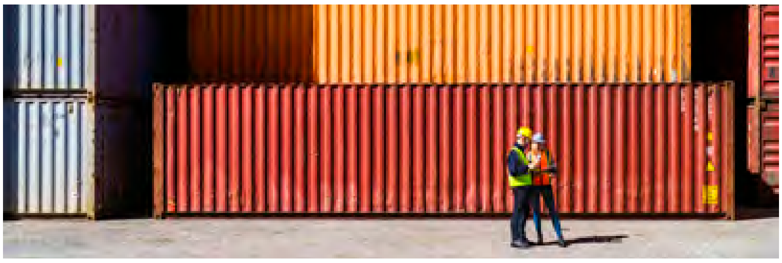


Welcome

Welcome to the Herbert Smith Freehills Asia Pacific M&A Review for 2019.

In this edition we review the developments in M&A in a wide range of countries and territories in the Asia Pacific region throughout 2018, and discuss the expected market trends for 2019 and beyond.

Should you have any questions in relation to M&A in the Asia Pacific region, please contact our partners across our network.

The Herbert Smith Freehills M&A Team

Herbert Smith Freehills

2018 was another standout year for Herbert Smith Freehills. Recent M&A achievements include being ranked first by both value and volume in Asia Pacific.

Herbert Smith Freehills continued to act on the largest and most high-profile M&A transactions in the Asia Pacific region in 2018, securing separate 'deal of the year' recognition in numerous jurisdictions including Hong Kong, Australia, Indonesia, and the Asia Pacific region at large (see page 54 for further details).

Asia Pacific M&A in 2018

Key themes across the 2018 Asia Pacific M&A market include:

1 **Record breaking hotspots**

Despite a slight regional downturn compared to 2017, 2018 was a record breaking year for Australia, India, Japan, and South Korea. China and Indonesia saw a considerable increase in deal value. US tensions had a knock-on effect in different ways in many jurisdictions across the region, the most obvious being in Mainland China where acquisitions of US companies fell 94% , but with acquisitions of European companies climbing 81%. South Korea also focused on Europe for real estate and infrastructure acquisitions. Thailand's domestic investment surged while its outbound investment decreased. Singapore had a soft year.

2 **TMT dominates**

2018 was one of the strongest years on record in the TMT sector (18% market share). TMT was followed by industrials (13.8%), financials (13.3%) and materials (12.8%). 2018 saw an uplift in M&A activity in mining (particularly in coal), energy and utilities (10% market share).

3 **Venture capital and private equity deals shine**

Venture capital fund investment activity continued to grow, with significant investments in start ups, particularly in the ICT sector, emerging industries and the healthcare sector. The number of public to private transactions tripled from 2017.

Asia Pacific M&A in 2019

Predictions for the broader Asia Pacific M&A market for 2019 include:

1 **Dry powder and borrower friendly conditions**

The surge of private equity and venture capital activity is expected to continue following the entrance of larger funds into the market, record levels of dry powder, borrower friendly conditions along with a continued increase in private equity deals with listed companies.

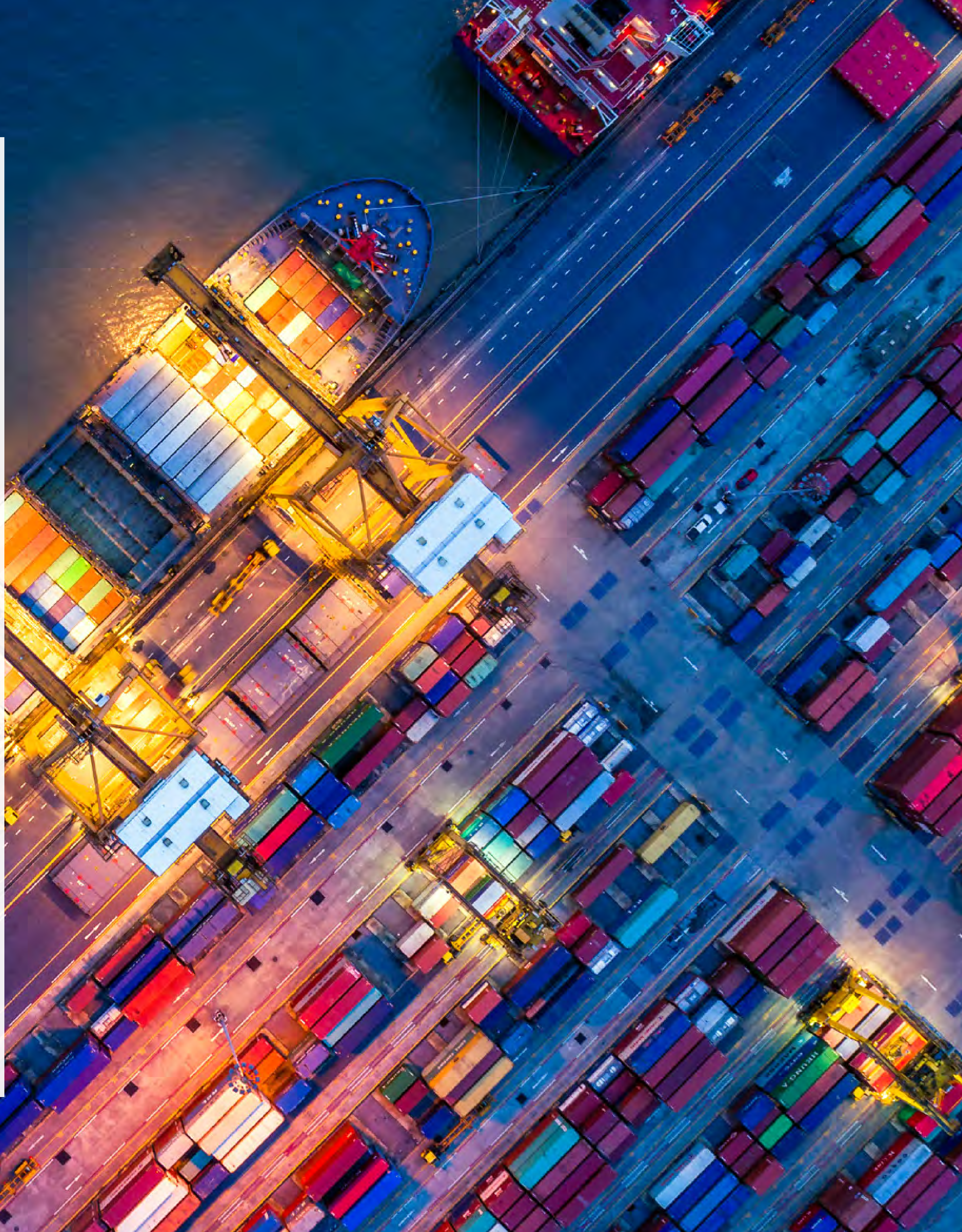
2 **Technology, infrastructure and the push towards a green future**

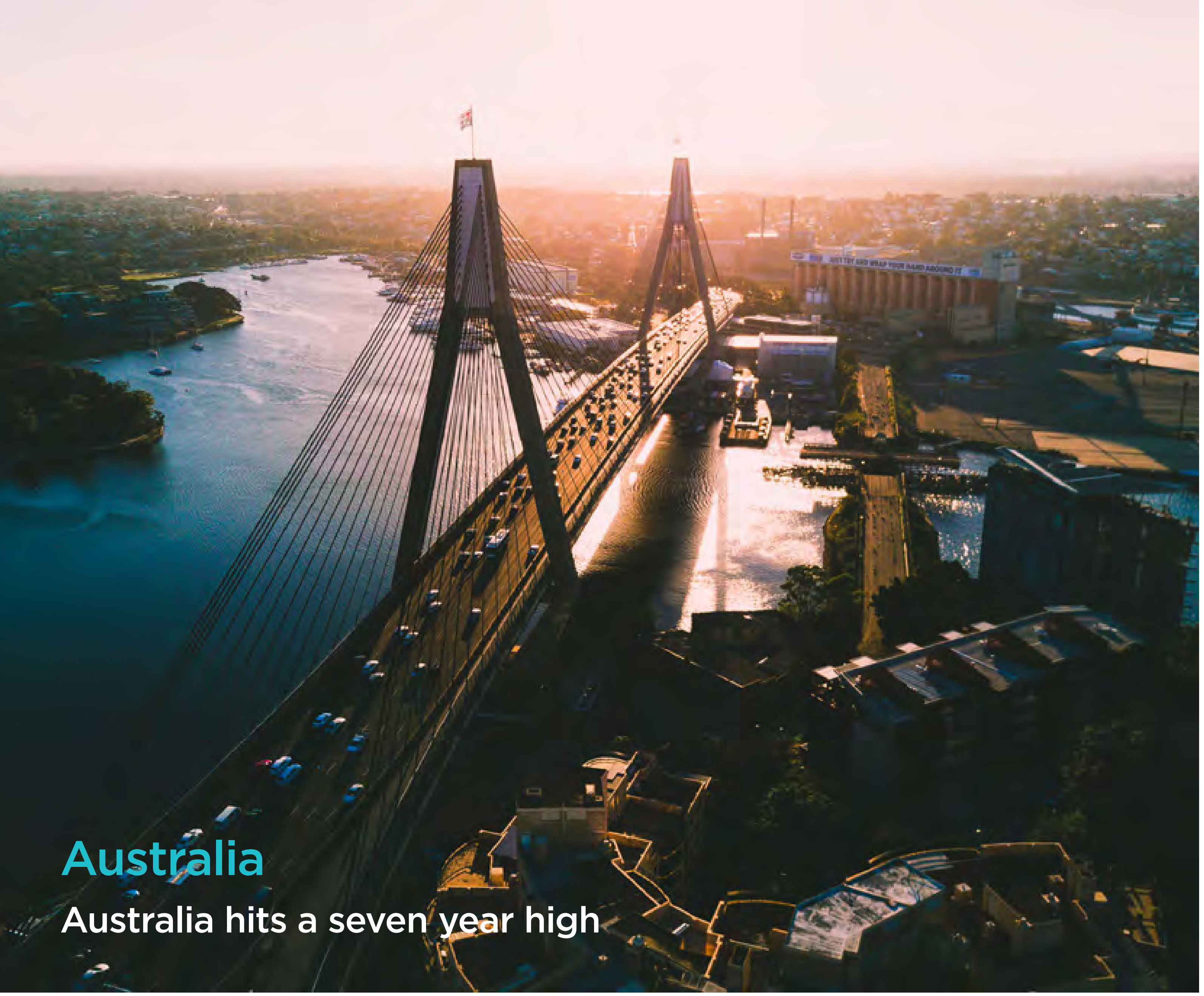
For the past four years we have predicted a continued wave of technology focused deals including fintech, e-commerce and TMT. 2019 will be no exception.

Other sectors to watch will be infrastructure-like sectors and the changing nature of our energy and transportation networks across Asia Pacific, with increasing investor interest in renewables, recycling, green power and the financial sector.

3 **Government reform encouraging investment**

Amidst political headwinds, 2018 saw Government reform in many jurisdictions intended to attract greater inbound foreign investment. Notable examples of investment-friendly reform include the new Foreign Investment Laws in Mainland China, the unified business licensing system in Indonesia, the relaxation by the Vietnamese government in approving overseas investment, and the new Companies Act in Myanmar. We expect to see more foreign investors taking advantage of these investor-friendly reforms and the increased market liberalisation.





Australia

Australia hits a seven year high

2018 Highlights

- 2018 was a bumper year for M&A activity in Australia, the strongest in 7 years, with announced deals totalling over A$230bn. This represented close to a 40% increase from 2017.
- 2018 will be remembered as the "year of the demerger" as it heralded the largest demerger ever undertaken in Australia by market value when Westfarmers spun-off of its A$19.4bn Coles supermarket business and the Commonwealth Bank announced the proposed demerger of certain parts of its wealth management business.
- Oil and gas company Santos rejected a A$14.5bn takeover offer from US private equity firm Harbour Energy.

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The state of the market

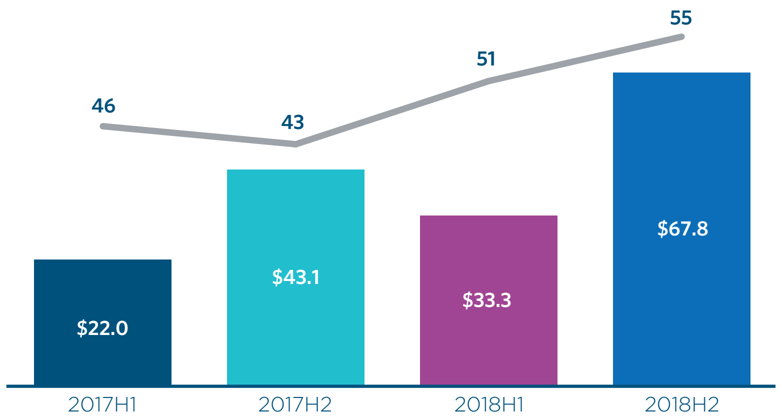
2018 was a very healthy year for Australian M&A across a variety of sectors. Mining was the standout sector in the public M&A arena with 37 deals and healthcare was a hot sector for number of deals in the private equity space. Other sectors enjoying substantial activity included financial services, real estate, infrastructure, energy and resources, computer software and internet e-commerce.

Australian outbound activity was the highest in 6 years with 332 outbound deals yielding A$37.7bn.

Public market deals were very active in 2018. As illustrated by the following graph, 106 public M&A deals totalled A$102bn representing an increase of 55% in deal value and 19% in deal volume compared with 2017. 49% of all public M&A deals in 2018 were cross border deals.

Individual deal value was on the rise in 2018 with 34 announced deals each above A$1.4bn, reaching an aggregate total of A$148.1bn and accounting for 64.1% of the total M&A activity in Australia. This was a significant increase from the 22 deals each above A$1.4bn announced in 2017.

Total value (A$bn) and number of announced Australian public M&A deals



Source: Mergermarket*

Predictions for 2019

Our key predictions for Australia M&A in 2019 are as follows:

1 **Is it a bird, is it a plane? No, it's super funds!**

2018 was the year that super funds broke out as active M&A participants. No longer should these funds be thought of in public M&A situations as reactive participants. Rather, given their stakes in many listed companies and also given the size of funds under management, the emergence of a preparedness to be involved in deals early represents a major moment for Australian M&A. Watch this space in 2019.

2 **Boards take control**

Despite immense pressure from shareholders on a range of fronts, 2018 has seen no shortage of boards taking control in M&A situations, disclosing approaches, rejecting approaches and generally forming a view and fighting the corner. We expect boards to continue to hold the reins in 2019.

3 **More of the urge to demerge**

2018 saw the Coles demerger and the announcement of the proposed Commonwealth Bank demerger. We expect to see more of this in 2019 – demergers present an option for companies to focus on core areas, and from an execution perspective, avoid the ups and downs of equity markets and the vagaries of sale processes.

4 **Property, financial services and health the ones to watch**

There is always a risk in trying to pick the winners, but the macroeconomic picture, current and pending regulatory reforms (and Royal Commissions), as well as industry evolution more generally mean that property, financial services and healthcare are likely to continue to shine.

5 **Infrastructure**

Leaving aside the increasing heat in foreign investment regulation and tax policy, investors will be faced with a shorter list of potential brownfield transactions – both in privatisations and secondary trades. Instead, focus will move even further towards greenfield projects and expansions of existing facilities, as well as "core-plus" and "infrastructure-like" sectors. The changing nature of our energy and transportation networks, as well as developments in waste and recycling sectors, are all likely to provide opportunities.

Impact of regulators

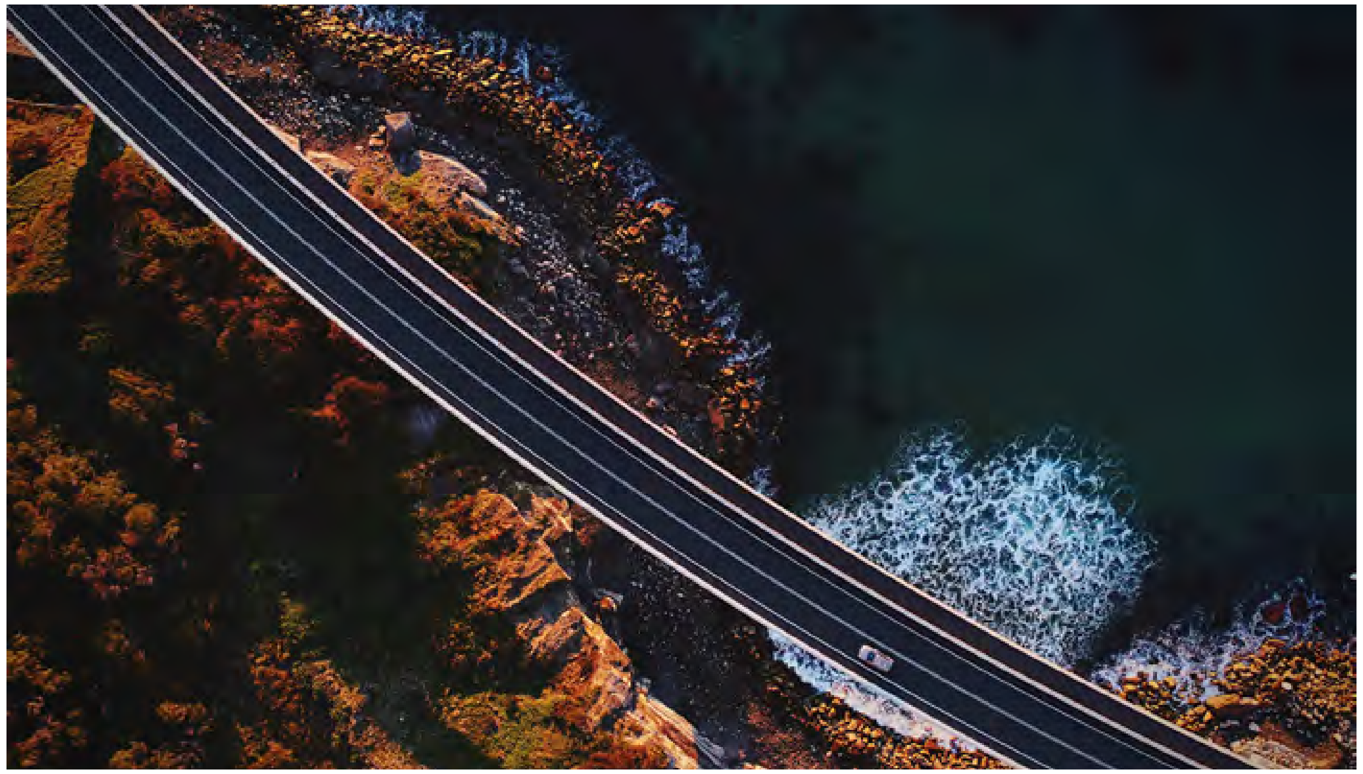
Regulators proved important in 2018. This was demonstrated by:

- the Foreign Investment Review Board (FIRB) not approving Hong Kong based CK Group's proposed A$13bn acquisition of east coast gas pipeline owner APA Group. The Treasurer of Australia, the Hon Josh Frydenberg MP, said the proposed acquisition "would be contrary to the national interest. I have formed this view on the grounds that it would result in an undue concentration of foreign ownership by a single company group in our most significant gas transmission business". FIRB also pointed to a continuing interest in data, with the Chairman of the FIRB, David Irvine AO saying "another emerging focus for the FIRB has been data protection and the important role that data centres play in the digital economy";
- the Australian Competition and Consumer Commission (ACCC) remaining active. It opposed the proposed acquisition by BP Australia Pty Ltd of Woolworths Limited's network of retail service station sites. It has also had an active role in a number of other transactions; and
- the Australian Securities and Investments Commission (ASIC) attempting to be more active with increasing appearances in court on schemes of arrangement. This may in part be as a result of the climate resulting from the Financial Services Royal Commission which has scrutinised the role of various regulators including ASIC.

2018 Key deals

- **Coles demerger** - Wesfarmers spun off its A$19.4bn Coles supermarket business into a standalone entity, being the largest demerger undertaken in Australia by market value.
- **TPG merger with Vodafone** - TPG Telecom Limited proposed a A$15bn merger of equals transaction with Vodafone Hutchison Australia Pty Ltd via a scheme of arrangement.
- **Santos takeover bid** - Santos Ltd received a A$14.5bn takeover proposal from US-owned company Harbour Energy.
- **Amcor** - Amcor Ltd acquired Bemis Company Inc valued at US$6.8 billion in 2018 which also involved a redomiciliation share exchange scheme of arrangement of Amcor, valued at A$18bn.
- **Snowy Hydro Sale** - The State of New South Wales sold its 58% shareholding in Snowy Hydro Limited to the Commonwealth for A$4.15bn.
- **CBA's global asset management sale** - the Commonwealth Bank of Australia agreed to sell its global asset management business, Colonial First State Global Asset Management to Mitsubishi UFJ Trust and Banking Corporation for A$4.13bn.

Herbert Smith Freehills acted on each of the transactions described above.



Mainland China

Focus on investment in Europe

2018 Highlights

- Whilst the overall number of M&A deals in 2018 was broadly consistent with 2017, there was a considerable increase in deal value.
- The Chinese government has proposed to streamline the foreign investment regime to ease market access and attract foreign investment.
- China's outbound investment focus has switched from the US to Europe, alongside steady development in Belt and Road countries.
- Given governmental policy and international market conditions, challenges and opportunities co-existed in energy, natural resources and infrastructure sectors.

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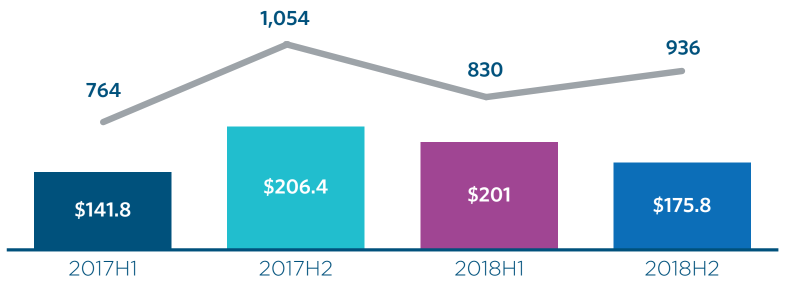
The state of the market

After peaking in the second half of 2017, M&A deals targeting China were the most affected during 2018 H1. Although the total deal value declined only moderately, transaction numbers in 2018 H1 recorded a significant decrease of 20% against 2017 H2. This suggests a tightening on active funds which has had a greater impact on smaller M&A activities.

On the whole, the number of reported M&A deals targeting China in 2018 was broadly consistent with 2017 with a slight jump of nearly US$30bn in total value.

Total value (US$bn) and number of announced Chinese public M&A deals



Source: Mergermarket*

2018 Key deals

- **Shenhua Group** - created the world's largest power and coal company with its US$271bn merger with China Guodian Group.
- **SF Express** - acquired for US$792m Deutsche Post DHL's China supply chain and logistics business and an ongoing 10-year strategic partnership.
- **ENN** - entered into a 20-year liquefaction tolling agreement with Texas-based Freeport LNG, the first investment by a private Chinese company in the US LNG market.

Herbert Smith Freehills acted on each of the transactions described above.

Improved regime for foreign investment

China released a new draft of the Foreign Investment Law which aims to consolidate the various existing laws on foreign investment under a single piece of legislation. The new draft law defines the different types of foreign investment and focuses on investment promotion and investment protection. For example, China will ensure foreign-invested enterprises have opportunities to participate in the nation's standardisation work and to compete fairly in government procurement projects. Intellectual property rights of foreign investors and foreign-invested enterprises will be protected with restrictions on the ability to compel the transfer of technology by administrative means. It is expected that the new draft law will be issued in final form and be effective in early 2020.

The Chinese government has also been opening up China's capital markets to foreign investors as demonstrated in draft legislative amendments released on 30 July 2018 to streamline the regime for foreign investors to invest in PRC-listed companies.

With the Chinese government re-focusing its efforts to attract more foreign investment into the country and its pledge to improve market access and the investment environment for foreign investors, we expect to see a rise in M&A and joint venture activities involving foreign investors in 2019.

Geographical shift of outbound investment

Due to stricter reviews by the Committee on Foreign Investment in the US and rising China-US trade tensions, Chinese acquisitions of US companies plunged 94.6% from a record high outbound value of US$55.3bn into the US in 2017 to just under US$3bn in 2018. Meanwhile, China's outbound investment in Europe rose 81.7% to US$60.4bn from US$33.2bn last year showing a clear prioritisation of Europe over the US for investment in advanced economies.

China has also maintained a steady increase in its investment in countries covered by the Belt and Road Initiative, which dovetails with enormous opportunities for M&A deals across Central Asia, the Middle East, Africa and Europe in numerous sectors such as energy, infrastructure and healthcare.

Energy, natural resources and infrastructure

In the oil and gas sector, China's outbound M&A of upstream assets continued to decrease in 2018 due to the distressed international oil and gas market. A number of Chinese state-owned oil and gas companies sought to divest some of their upstream assets. The snapback of US sanctions on Iran also impacted Chinese companies' proposed transactions or existing investments in Iran.

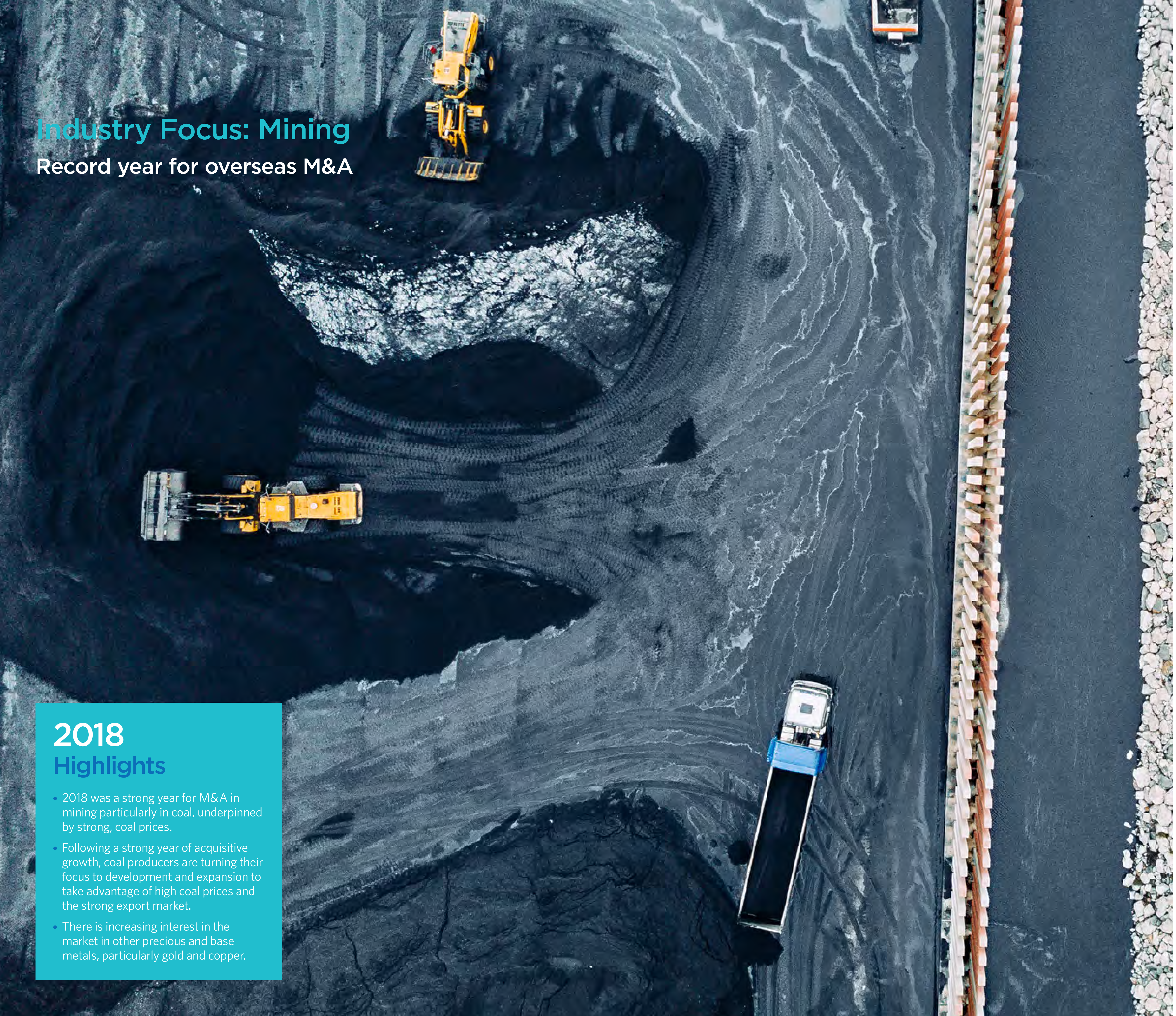
In the power and utility sector, more Chinese companies increasingly looked for opportunities in Europe, Asia, Africa and South America. The EU's Third Energy Package has caused concerns to Chinese State-owned enterprises under common control of SASAC. Outbound investment in renewables is also growing given China's decision to limit domestic solar and wind capacity additions.

Despite the increase in investment in countries covered by the Belt and Road Initiative, the catchword "Belt and Road" per se has gradually cooled down with the market returning to rationality and the Chinese government imposing stricter capital outflow control. The key players are Chinese engineering, procurement and construction (EPC) contractors who are interested in the development of greenfield road, railway, port, terminal, and pipeline projects. M&A in the EPC area is mainly focused on equity investment in project companies that have obtained preliminary approvals or permits.

Predictions for 2019

Our key predictions for China M&A in 2019 are as follows:

1	**Rationalised investment and higher compliance standard**	With flexible investment channels and opportunities, investors are expecting quicker returns on investment and will continue to influence companies' decision-making. Therefore, a company's investment strategies need to be rationalised and compliance will become more important.
2	**Offshore funds to be invested in mainland China**	Driven by less burdensome market access and streamlined approval procedure, it is expected that more offshore funds will seek opportunities for investment within China.
3	**Sectors to watch**	High-technology, financial service and infrastructure sectors have absorbed keen interest from investors and we expect these will continue to dominate in M&A activities. As China shifts its economic focus from export to consumption, investors are also attracted by the ample opportunities in the booming consumer goods market and we also expect more M&A activities in the consumer sector in 2019.
4	**Slowdown of Belt and Road**	As the investors and financiers return to rationality and focus more on bankable risk allocation of projects, we expect Belt and Road will slow down, although Chinese EPC contractors will still take the lead in outbound investment in infrastructure.



Industry Focus: Mining

Record year for overseas M&A

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2018 Highlights

- 2018 was a strong year for M&A in mining particularly in coal, underpinned by strong, coal prices.
- Following a strong year of acquisitive growth, coal producers are turning their focus to development and expansion to take advantage of high coal prices and the strong export market.
- There is increasing interest in the market in other precious and base metals, particularly gold and copper.

The state of the market

Australia's resources and energy commodity exports are expected to reach a record high in 2019 with high coal prices and weaker Australian dollar driving the strong performance. Coal is expected to overtake iron ore as Australia's largest resource and energy export in 2019.

Against this backdrop, we can expect to see increased coal production as companies seek to take advantage of high coal prices. We can also expect to see a corresponding increase in demand for domestic mining services contractors. There is also likely to be increased interest in, and capital investment into, automated mining technology to increase efficiency and productivity in mining activities.

However with China's economic growth at the slowest rate in a decade and the uncertainty surrounding the state of US-China trade relations, coal export levels may be impacted. This impact is unlikely to be significant.

M&A activity in precious and base metals, particularly gold and copper were relatively lukewarm in 2018, but interest in the commodities remain high. Companies are taking a more cautious approach in evaluating acquisition opportunities, and are also considering opportunities in offshore assets, particularly in North and South America. The US-China trade tensions, and a softer US dollar are likely to support gold prices in 2019.

2018 Key deals

- **Yancoal** - Yancoal Australia Ltd successfully achieved a dual primary listing on the Hong Kong Stock Exchange (HKEx) and conducted a public offering to raise HK$1.605bn, the first dual primary listing of an Australian company on both the HKEx and ASX.
- **Coronado Global Resources Inc and Coronado Group LLC** - conducted an initial public offering and achieved a A$3.87bn listing on the ASX following its acquisition of Wesfarmers Limited's Curragh mine for A$700m in 2017.
- **ITOCHU** - ITOCHU Corporation entered into an agreement to sell a 5% economic interest in the Worsley Alumina bauxite mining and alumina refinery located near Boddington in Western Australia to Press Metal Bintulu Sdn Bhd for A$250m.
- **Santos** - Santos acquired Quadrant Energy, one of the largest oil & gas producers in Western Australia, for US$2.15bn.
- **ERAMET SA** - ERAMET SA (listed on the Euronext Paris exchange) successfully launched a $A350m off-market takeover bid for Mineral Deposits Limited, the first Australian acquisition by the ERAMET Group, consolidating ERAMET's holding in the Grande Côte mineral sands operation in Senegal and the TiZir Titanium and Iron ilmenite upgrading facility in Norway.
- **POSCO** - POSCO signed a non-binding MOU in relation to a A$79.6m cornerstone equity investment in Pilbara Minerals Limited, involving a binding life-of-mine offtake agreement in relation to the Pilgangoora lithium project and the terms for a proposed joint venture for a downstream processing facility. This will be the first direct investment by a South Korean manufacturer of lithium-ion battery materials into an upstream supplier of spodumene concentrate.
- **South32** - South32 Ltd acquired a 50% stake in the Eagle Downs metallurgical coal mine for an upfront payment of US$106m, a deferred payment of US$27m and a coal price linked production royalty capped at US$80m.
- **Base Resources Limited** acquired an initial 85% stake in the Toliara Sands project in Madagascar for US$75m (and conducted a related capital raising to fund the acquisition) . Base Resources will acquire the remaining 15% interest for a further US$17m, payable on achievement of key milestones as the project advances to mine development.

Herbert Smith Freehills acted for, or is acting for, the Joint Sponsors and Underwriters of Yancoal, Coronado, ITOCHU Corporation, Santos, ERAMET SA, POSCO, South32 and Base Resources in relation to the deals above.

Predictions for 2019

Our key predictions for M&A in the mining industry in 2019 are as follows:

1 Increased M&A in gold and copper

We can expect to see an increased focus on M&A activities in gold and copper.

The demand for gold has increased steadily throughout 2018. There has been increased activity on exploration activities supported by healthy balance sheets, putting gold in prime position for a surge in M&A activities in 2019.

On copper, the world's biggest miners have been open about their ambitions to increase exposure to copper, taking a long-term view that the increasing electrification of transport will lead to growing demand amid decreasing supply.

2 Slowdown in M&A activity in coal

We expect a slowdown in M&A activities in coal as coal companies refocus their efforts on increasing and maximising the value of existing assets to take advantage of high coal prices. The primary reason for a drop off in coal M&A will be supply and not demand driven – that is, fewer available high quality coal mines for sale.

3 Increased development projects and joint ventures in coal

While there is likely to be less M&A activities in coal, we can expect to see increased development activities and expansion projects.

There may also be increased joint venture and strategic partnership activities, not just at the asset level, but arrangements relating to specific aspects of mining operations, such as infrastructure or marketing and blending.

4 Increased offshore investment by Australian companies

We are likely to see more companies investing in South America, in particular in Chile, Peru and Columbia, driven mostly by the desire to invest in copper assets.

Australian mining companies are also becoming more sophisticated and may look to diversify (including in offshore assets) given the right synergies to balance portfolios and hedge against revenue fluctuations.

Hong Kong SAR

Cautious optimism despite downturn

2018 Highlights

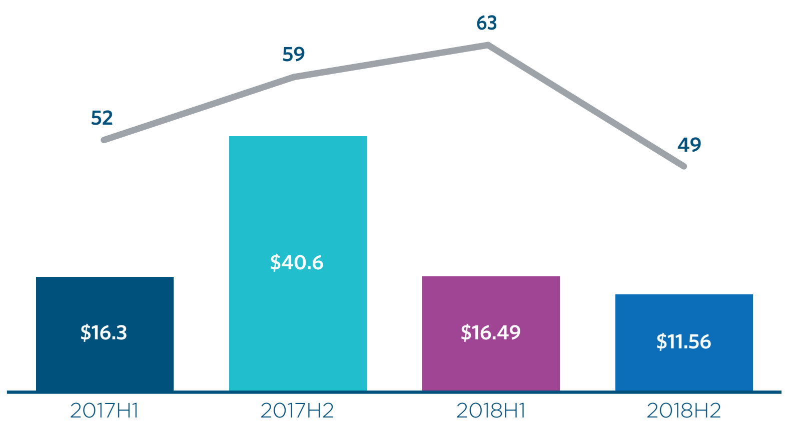
- There was a solid flow of outbound M&A activity, despite regulatory intervention halting the largest outbound deal proposed in 2018.
- Private equity deals contributed to deal flows in 2018 with funds both buying and selling.
- Deals involving assets with a technology focus were increasingly prevalent across a wide spectrum of sectors including e-commerce, telecommunications and data services.

The state of the market

The overall M&A deal count in 2018 involving Hong Kong listed targets was on par with 2017, with strong deal flow in the first half of the year but with activity slowing down in the latter half of 2018.

However, the value of reported M&A activity targeting Hong Kong listed companies in 2018 was lower than in 2017, with transaction values significantly lower, particularly compared to the high value transactions which marked the second half of 2017.

Total value (US$bn) and number of announced Hong Kong public M&A deals



Source: Mergermarket*

Outbound M&A activity down but still solid

Outbound M&A activity was down in 2018 but still solid, with European businesses being popular targets. For example, CK Hutchinson Holdings Limited acquired the remaining 50% of the Italy-based telecommunications and data service provider Wind Tre S.p.A and a consortium led by Hong Kong-listed ANTA Sports Products Limited has bid for the Finland-listed sports equipment manufacturer, Amer Sports Oyj. However, the largest outbound deal of the year, the CK Group's US$9.4bn consortium bid for Australia's APA Group Limited, failed due to intervention by the Australian government on national interest grounds.

Technology-related deals continue to dominate the headlines

Transactions involving targets with technology-related assets across a variety of sectors stood out in 2018. Ant Financial Services Group, which operates Alipay, one of China's major online payment platforms, raised US$10bn from local and international investors. Other examples include Alibaba Group and Ant Financial Services Group's US$9.5bn acquisition of China-based online food ordering company, Ele.me from investors including Hong Kong-listed Tencent Holdings Limited, HKBN Ltd's US$1.34bn acquisition of WTT Holding Corp., a Hong Kong-based fixed line telecommunications services operator and ICT solutions provider and the US$200m investment in Hong Kong-based online travel start-up, Klook by a group of investors led by Sequoia Capital China. Other active industry sectors included media, financial services, infrastructure and logistics.

Rare hostile bid could signify rise in shareholder activism

2018 saw a rare hostile bid for Spring Real Estate Investment Trust by one of its substantial unitholders, PAG, an Asian alternative investment fund. PAG wished to increase its control of the REIT in order to replace its manager, however the acceptance condition was not met and the bid ultimately failed. This is an interesting development in Hong Kong where public shareholder activism has been relatively uncommon.

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2018 Key deals

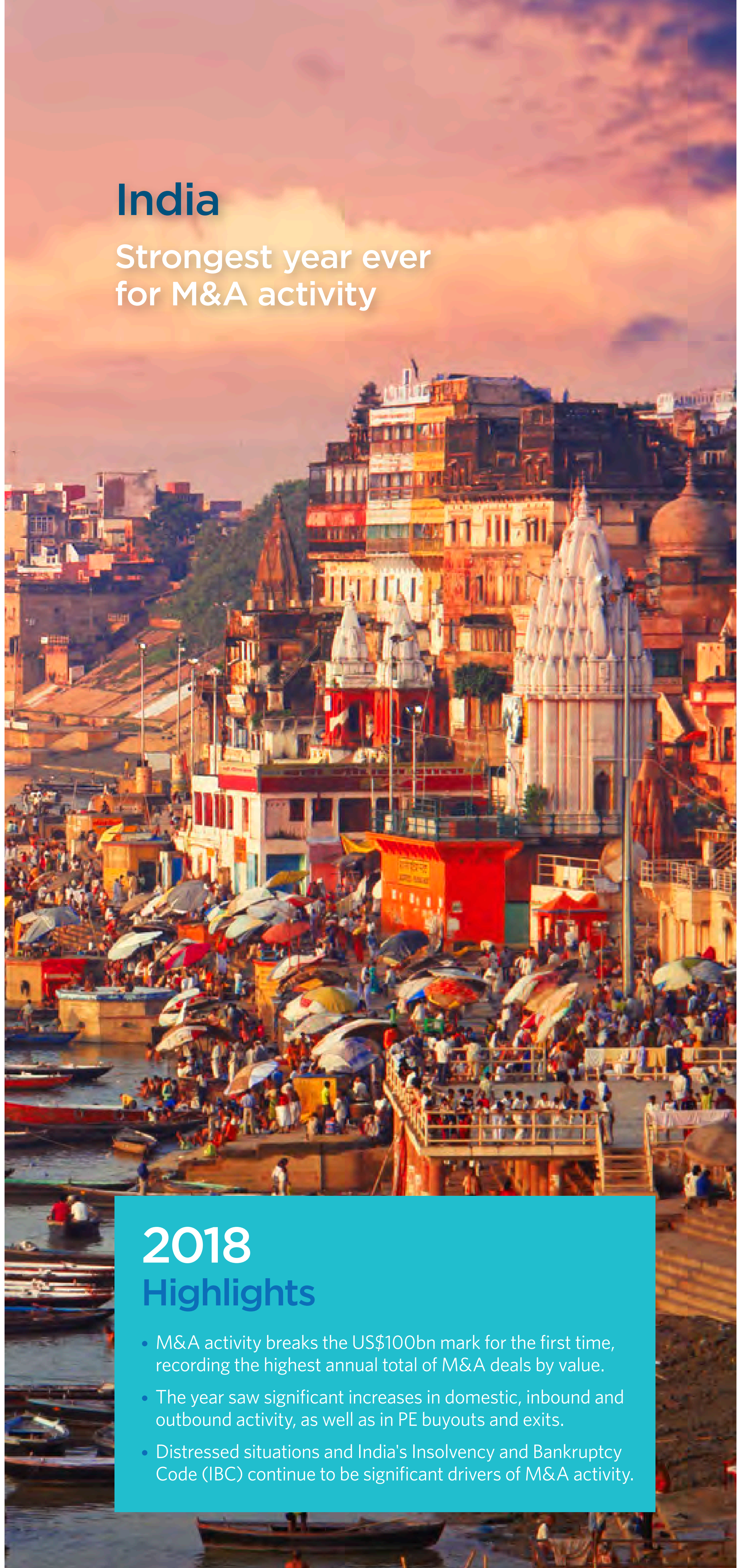
- **CK Group** - US$9.4bn failed consortium bid for Australia's APA Group Limited.
- **Ant Financial Services Group** - US$10bn investment in Ant Financial Services Group by a group of Hong Kong and international investors.
- **AAG Energy Holdings Limited** - Partial cash offer for a 50.5% stake in AAG Energy Holdings Limited by Xinjiang Xintai Natural Gas Co., Ltd.

Herbert Smith Freehills acted for Citigroup Global Markets Asia Limited, as financial adviser to the offeror, in the third matter listed above.

Predictions for 2019

Our key predictions for M&A in Hong Kong in 2019 are as follows:

1	**Continued private equity activity**	We anticipate that private equity-led deals will continue to be active over the next 12 months given the large amounts of available capital raised and ready to deploy in the region. We also expect an increase in private equity exits from investments where listing plans have been delayed due to market uncertainty.
2	**China outbound investment to continue to benefit the territory**	Despite China's tightened control over outbound investment, Chinese buyers are still encouraged to engage in prudent and strategic investments, particularly those supporting the Belt and Road initiative. Hong Kong will continue to be targeted by Chinese outbound investors, both to acquire domestic businesses in the territory and as investment platforms for overseas expansion. China's initiatives to liberalise its restrictions on foreign investment will also create opportunities for Hong Kong companies to pursue M&A deals in China.
3	**Consortiums as a popular investment structure**	We expect the trend seen over the past couple of years of investments being made by consortium groups to continue as investors look to share the investment risk and exploit synergies.
4	**A rise in shareholder activism**	Given its increasing prevalence in the US and Europe, we expect shareholder activism could rise in the Hong Kong market with investors taking a more public approach to their support or opposition of M&A transactions.
5	**Sectors of interest**	We expect to see a continued focus on technology-focused deals across a variety of sectors including fintech, e-commerce and TMT. Other sectors to watch include consumer, healthcare and logistics.



India

Strongest year ever for M&A activity

2018 Highlights

- M&A activity breaks the US$100bn mark for the first time, recording the highest annual total of M&A deals by value.
- The year saw significant increases in domestic, inbound and outbound activity, as well as in PE buyouts and exits.
- Distressed situations and India's Insolvency and Bankruptcy Code (IBC) continue to be significant drivers of M&A activity.

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The state of the market

2018 was a record breaking year for M&A in India, with a total of 417 deals worth US$100.1bn, representing a significant increase in comparison to 2017 (398 deals worth US$53.1bn). Indian activity accounted for 13% of overall Asia-Pacific M&A deal making in 2018.

As in previous years, domestic M&A continued to dominate the Indian M&A market in 2018, but inbound activity also saw significant growth (212 deals worth US$46.9bn) in comparison to 2017 (194 deals worth US$21.3bn), with major overseas strategic buyers such as Walmart, Amazon, IHH and Berkshire Hathaway undertaking significant transactions.

There was also a very notable (almost 4 times) increase in outbound activity this year (75 deals worth US$11.3bn).

PE activity also hit record levels in 2018, with buyout deal values increasing to 112 deals worth US$16bn (2017: 96 deals worth US$7.9bn). PE exits also increased from US$5.7bn in 2017 to US$35.8bn, which was largely driven by the US$16bn acquisition by Walmart of Flipkart.

Technology was the most active sector, contributing almost a third of overall M&A by value.

2018 Key deals

- **Walmart-Flipkart** - Walmart acquired a 77% stake in Flipkart for US$16bn.
- **UPL-Arysta LifeScience** - UPL acquired Arysta LifeScience for US$4.2bn.
- **Bharti Infratel-Indus Towers** - Bharti Infratel acquired Indus Towers for US$10.6bn.
- **IHH Healthcare Berhad-Fortis Healthcare** - IHH acquired a 31.1% stake in Fortis Healthcare for US$550m.
- **Aurobindo-Apotex** - Aurobindo acquired Apotex's operations in Belgium, Czech Republic, the Netherlands, Poland and Spain, a significant outbound investment from India in the pharmaceutical space.
- **JSW Steel-Piombino** - JSW Steel acquired Piombino and Italy's second largest steel plant, Aferpi, a significant outbound investment by India's biggest steelmaker.

Hebert Smith Freehills acted for Aurobindo and JSW Steel on the deals listed above.

Key M&A themes for 2018 and outlook for 2019

FDI regime

2018 was another year of FDI relaxation and streamlining.

Key changes this year included the modification of approval thresholds in sectors such as civil aviation/air transportation services, single brand retail trading, e-commerce, real estate related services, and non-banking finance companies and the simplification of FDI application procedures. The FDI application process has also been accelerated with authorities now expected to give their decisions within 8-10 weeks.

Distressed M&A

2018 was a year marked by classic domestic consolidation deals and also by a number of significant inbound acquisitions by overseas strategic buyers and Global PE looking to obtain market access and exposure to the Indian economic story.

Having said that, distressed M&A (in particular M&A arising out of IBC governed resolution processes) was probably the most notable theme of the year. Distressed deals accounted for approximately 15% of all M&A in India by value in 2018, including Tata Steel's acquisition of Bhushan Steel for US$7.4bn, IHH's acquisition of an approx. 30% stake in Fortis for US$550m and Vedanta's acquisition of Electrosteel Steels.

Whilst there are still some questions about the efficiency and predictability of IBC related M&A from a legal and regulatory perspective, there is no doubt that the IBC has been a major catalyst for M&A in relation to a new investment class in India, namely distressed assets. With successful resolution of processes relating to four of the "dirty dozen" (12 Indian companies that represent roughly 25% of total non-performing assets in India) under IBC and more than 500 applications submitted for IBC resolution as at the end of 2018, we can only see this trend continuing through 2019. Whilst buyer interest in the distressed space has, to date, been largely confined to domestic strategic buyers, we anticipate that there will be increasing interest from overseas strategic buyers and financial investors in Indian distressed assets going forward.

Corporate governance and shareholder activism

Corporate governance is an area of increasing focus in India, particularly in the wake of a number of high profile corporate governance failures. It is an issue that is particularly acute given the predominance of promoter led companies.

This focus has manifested itself both in terms regulatory developments (such as the adoption by Indian securities regulator (SEBI) of recommendations made by the Kotak Committee (established to review corporate governance in India) on the composition of the board, directors' independence, related parties, enhanced disclosure and transparency, shareholder participation and other matters, and increased shareholder activism.

Whilst the level of shareholder activism in India has not reached that seen in US, the UK and Europe, it is nevertheless a growing trend and is a factor that is now starting to influence the execution of M&A by Indian companies. The removal by shareholders of Brian Tempest from the board of Fortis Healthcare in the context of the competitive battle for Fortis is a good example of this trend. Mr Tempest was seen to be close to the founders of the company and crucial to approving a bid from the Burman and Munjal families, which investors had complained was worse than several of the other bids received.

The increase in institutional investors on Indian company shareholder registers, sophistication amongst shareholder activists and the rise in proxy advisory firms focussing on the Indian market, will, we believe, mean this trend will continue into 2019.

M&A activity to remain buoyant but may be affected by upcoming elections

Indian economic fundamentals have been strong over the last few years with a steady growth rate of 6-7%, lower levels of inflation around 3-4% and a reduced fiscal deficit around 3-3.5%. Taken together with its improved ranking in the World Bank's Doing Business rankings (from 130th to 77th), India will continue to be an attractive investment destination for strategic and financial buyers for the foreseeable future.

In addition, the continued trade war between the US and China (and higher import duties on Chinese goods) could increase interest in the Indian market for the manufacture and export of goods, as more cost-effective alternative destinations (such as Bangladesh and Vietnam) are seen to lack capacity and standard assurance.

It should be noted however that the upcoming Indian general elections later this year and the prospect of a possible slowdown of the pace of reform or, at worst, policy paralysis, is currently leading to a more cautious approach being adopted by prospective M&A investors. However, given India's continuing strong underlying fundamentals, we do not anticipate that this will result in a significant decrease in in the overall pace of Indian M&A in 2019 and that activity will pick up again the second half of the year.

SECTORS TO WATCH

TMT, ENERGY, INDUSTRIALS AND FINANCIAL SERVICES SECTORS WERE PARTICULARLY ACTIVE IN 2018 AND WE EXPECT TO WITNESS CONSIDERABLE INTEREST IN THESE SECTORS IN 2019.

Private Equity

A strong year for private equity and venture capital

2018 Highlights

- The market saw a continued increase in buy-side PE activity in 2018, fuelled by record levels of dry powder. Large value deals were spread across a wide variety of sectors, as sponsors were able to make the most of favourable funding conditions. A surge of public to private transactions – almost triple the number of announced deals in the 2017 calendar year – was one of the most notable trends from 2018, and we expect this trend to continue in 2019 with cashed-up funds vying for quality assets.
- Venture capital fund investment activity continued to grow in Australia and in the Asian region during 2018. VC funds have been investing significantly in start-ups and other early stage companies, particularly in the ICT sector, emerging industries and more recently, the heathcare sector. We are seeing greater interest from overseas based venture funds as well as corporates and superannuation funds, which are increasing their appetite for exposure to the tech sector.
- Strong borrower-friendly conditions have persisted through 2018. The alternative debt markets have remained popular and there continues to be a large amount of debt liquidity available to sponsors. Banks have remained very competitive, and have competed strongly on pricing and their ability to support bespoke transactions. They have also been offering greater flexibility on terms. Absent a shock, the large amounts of debt liquidity and relatively more conservative debt structures (as compared with the US and European markets) will likely lead to continued borrower-friendly conditions through 2019.

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2018 Key deals

- **BGH Capital** - BGH Capital Fund I, the first PE fund of BGH Capital in Australia, launched the largest raise for a new market entrant in the Asia Pacific region on record. The raise commenced in September 2017 and first closed in May 2018, resulting in A$2.5bn in capital from a range of foreign and domestic investors.
- **CHAMP Ventures** - CHAMP Ventures sold RSEA Holdings Pty Ltd (RSEA) for A$145m, a workwear and road safety equipment company, to London-listed debt funder Intermediate Capital Group. Herbert Smith Freehills acted for CHAMP Ventures and also advised management of RSEA in relation to their equity arrangements with Intermediate Capital Group.
- **Deputy** – Workforce management company Deputy raised A$111m in October 2018, with a series B capital raise led by Institutional Venture Partners. Herbert Smith Freehills also acted for Deputy in its A$33m series A in December 2017.
- **Canva** - Graphic design company Canva raised A$50.9m in a series C capital raise led by Sequoia Capital in January 2018. Herbert Smith Freehills also acted for Canva in their series B in September 2016 and series A in April 2015.
- **Nura** - Australian technology company Nura recently raised A$15m in a capital raise led by Blackbird Ventures. Following a A$10m investment from Blackbird Ventures and at the completion of this round, Nura will have raised approximately A$21m from domestic and overseas investors since its inception.
- **Adamantem Capital and Liverpool Capital Partners** - Herbert Smith Freehills acted on the A$110m acquisition of Zenitas (a healthcare provider) and subsequent bolt-ons.
- **Crescent Capital** - Herbert Smith Freehills acted for Crescent Capital on the financing of the successful bid and subsequent acquisition of Healthcare Australia.
- **Pacific Equity Partners** - Herbert Smith Freehills acted on the financing of the acquisition by InteliHUB Holdings Pty Ltd (a joint venture vehicle between Pacific Equity Partners and Landis + Gyr) of the Acumen business from Origin Energy Limited.
- **Odyssey Private Equity** – Herbert Smith Freehills acted for Odyssey Private Equity on the acquisition and related financing for Companion Brands, an outdoor and industrial products business based in Melbourne, to complement its existing portfolio business OzTrail.

In addition to the engagements specified above, Herbert Smith Freehills is also acting for, or acted for, BGH Capital, Nura, Adamantem Capital and Liverpool Capital Partners on the deals listed above.

Herbert Smith Freehills was ranked first by Mergermarket, by deal value and deal count, in the Australasia M&A and PE Legal Advisory League tables.

The state of the market

Private Equity – Asia Pacific

PE activity was generally strong across the Asia Pacific region in 2018, marked by high buy-side activity, and a steep rise in PE exit activity (approx. US$120bn in 2018 compared to US$70bn in 2017 (Mergermarket)). Despite a weak fourth quarter recording lower value and deal count, the annual value in 2018 was the second highest recorded by Mergermarket, eclipsed only by 2017. The largest buyout deal was the US$14bn acquisition of Ant Financial, an online payment platform, by a consortium led by Singaporean sovereign wealth investor GIC.

PE firms in China faced increased liquidity pressures in 2018 following tighter asset management regulations. New restrictions on short-term or high-risk funding vehicles have dampened off-balance sheet financing traditionally provided by banks, a key source of funds for PE firms, which was reflected by record high PE exits in the region. The volume of buyouts in Japan increased (54 deals in 2018, compared to 45 deals in 2017 (Mergermarket)), however, deal values in Japan were one of the lowest on record. This may be attributed to the absence of big ticket deals exceeding US$1bn, and a greater proportion of undisclosed deals. Across the Indian Ocean, record high PE exit values in India will likely drive PE sponsors to pursue new opportunities.

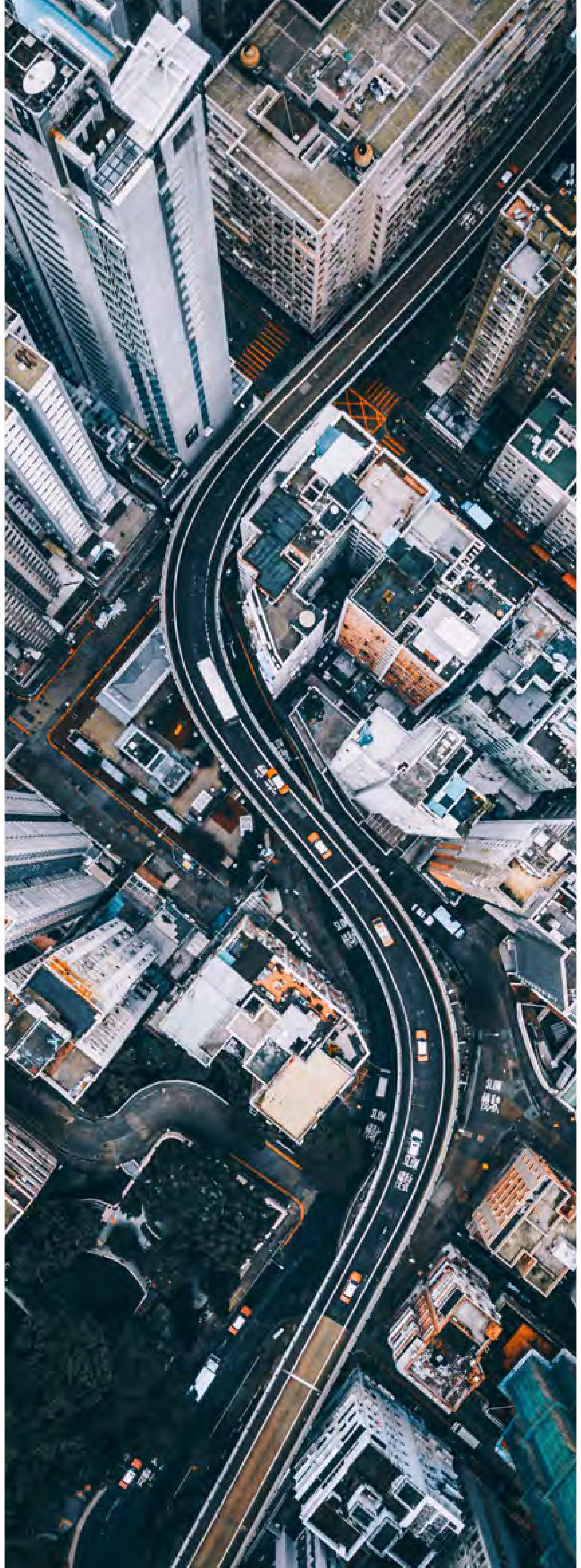
According to Mergermarket, buyout value in India increased by nearly 103% to US$16bn, whilst PE exits sky-rocketed by 600% to US$35.8bn in value (compared to US$5.7bn in 2017).

There will likely be an uptick in PE activity in 2019 following the entrance of larger funds into the market, and record levels of dry powder available to Asia-focused PE and VC firms (US$246bn (Preqin)). Investors attracted to emerging opportunities in Asia will seek to re-invest much of the capital that has been re-distributed to them in recent years. Preqin reported a total value of US$722bn worth of assets under management by Asia-focused PE and VC firms as at December 2017.

Private Equity - Australia

Sponsors were active across a range of sectors in 2018, with food & agriculture recording the most activity. Consumer goods, IT, education and industrials also attracted significant investment, whilst the business services, materials, energy and utilities sectors remained relatively quiet despite being pegged as potential growth sectors by commentators in early 2018. The technology, media and telecommunications sector saw lower activity, however this may be attributed to the increasingly blurred distinction between traditional information technology businesses and businesses that belong to other sectors.

Overall, PE activity was strong in 2018, following the record levels of fundraising set in 2017 and early 2018. According to Preqin, a combination of greater fundraising (in excess of A$5bn) and soft buy-side activity (A$3.5bn) in 2017 spurred an increase in dry powder levels to the tune of A$9.2bn in 2018 – the highest amount seen since December 2011. Exit activity in 2018 was relatively modest by aggregate value in comparison to previous years, and IPOs featured in a smaller proportion of exits.



There was a drive for large value deals in 2018, particularly in the healthcare and food & agriculture sectors, where the top 3 deals by value were recorded as the sales of I-MED Network Ltd, Accolade Wines Limited, and The Real Petfood Company. However, there was a dip in total deal volumes and values, which could be attributed to increased market competition, PE firms spending more time fundraising, longer PE hold periods for assets, and general macroeconomic uncertainty worldwide.

Finally, the acquisition of Pepper Group by KKR toward the end of 2017 marked the commencement of a remarkable uptick in public to private transaction activity in 2018. Connect 4 has reported a total of 12 current or successful bids for public companies in 2018, compared to 3 public to private deals in 2017, and 6 in 2016. This may be explained by the wealth of dry powder available to sponsors following significant funding in recent years.

Venture Capital

In June 2018, the Economist noted that the flow of European venture capital hit its highest level for a decade. According to the Trade Association Invest Europe, of the €6.4bn in venture investments in 2017, 45% went to information and communication start-ups and 23% to biotech and healthcare. There are similar stories in America, Asia and the emerging markets of Africa and the Americas.

We saw similar results here in Australia in 2018. AVCAL has reported that the last 18 months has seen a record A$1.5bn invested into venture capital. The largest share of investments went to the ICT sector with internet and software deals accounting for 70% of all venture capital deals in the first half of 2018 (Australian Private Equity & Venture Capital Association Limited 2018 Yearbook).

Corporates and superannuation funds have been increasing their appetite for exposure to the venture capital market throughout 2017 and 2018. We have also seen an increase in funding from overseas-based venture capital funds, particularly from the US, and a trend towards larger raises for later-stage start-ups.

In October 2018, Deputy, a provider of cloud-based workforce management tools for shift workers, raised US$81m (the largest series B raise in Australia's history) from both US and Australian investors. US based funds Institutional Venture Partners and OpenView Venture Partners (who also invested in Deputy's Series A round) were joined by Australian venture capital funds Equity Venture Partners and Square Peg Capital.

Healthcare and life science assets followed closely behind the ICT Sector as the hottest sectors in 2017, accounting for 33% of all venture investments in Australia. In 2018, we witnessed a shift in focus to the ag-tech sector, where global investment grew significantly, and is expected to continue into 2019.

Herbert Smith Freehills has acted on some of Australia's largest and most successful technology capital raisings including Atlassian, Canva, Culture Amp, Campaign Monitor, Deputy, Nura, Social Garden, Expert360, Gamurs, Tyro Payments, Oz Forex, Saftey Culture and more.

Debt

Borrower friendly conditions continue to characterise the PE space. Sponsors are taking advantage of the high levels of liquidity and strong underwriting appetite to push the envelope on pricing and flexibility.

At the bigger end of the market, strong demand from institutional investors has seen the continued popularity of the TLB/unitranche product. In addition, we have seen an increasing number of the large transactional banks keen to take the super senior position in such transactions, particularly to support relationship clients although a number of the 'big 4' are preferring to watch the market develop before becoming too heavily involved. Although borrower friendly, the Australian alternative debt market has not seen some of the 'cov-nil' structures that have developed in the European and US markets. Most investors continue to expect a maintenance leverage covenant, set with a high level of headroom and may be based on highly engineered covenant definitions.

Sponsors and lenders are also becoming more innovative in their development of bespoke financial products. A particular highlight was the PEP/L&G acquisition of Origin's IntelliHub business, which was supported by a unique leveraged/project finance debt structure. These structures enable sponsors to concentrate on the business' upfront capex needs while facilitating opportunistic bolt-ons.

Bank markets remain strong, and remain the dominant source of funding in the mid-market space, supporting transactions through their strong underwriting appetite and ability to support the diverse transactional needs of newly acquired businesses. A number of the flexibilities common to alternative debt products are making their way into bank transactions as well, with builder baskets becoming more common and sponsors continuing to apply pressure to the terms of the cash sweep and the financial covenant definitions.

At the time of writing, there are no signs that the late-2018 tremors in the US secondary market for leveraged debt is having a marked impact in Australia. Banks and non-bank investors continue to sit on large amounts of dry powder and remain under pressure to deploy. Comparatively, Australian alternative debt markets generally maintain a broader set of investor protections than their US and European equivalents. This continues to be an attractive proposition for investors. In addition, the involvement of super funds in the leveraged finance market continues to increase. This adds to an expectation of continued strong borrower conditions through 2019.

Predictions for 2019

Our key predictions for Private Equity in 2019 are as follows:

1	**Sectors to shine**	We expect that the food and agriculture, consumer goods, IT, education and industrials sectors will continue to attract sponsor interest in 2019.
2	**Impact of the Financial Services Royal Commission**	We expect to see significant movement this year in the financial services industry following on from the Financial Services Royal Commission.
3	**Political uncertainty**	The market may experience a sluggish start to the year as a result of political uncertainty prior to the NSW election in March and the yet-to-be scheduled federal election, but regardless, we expect that PE and VC funds with money to spend will continue to chase high quality assets as they drive stakeholder value.
4	**Increase in public to private transactions**	PE and VC funds will continue to compete for investment opportunities which will generate higher prices for high quality assets. We expect this will translate to even more private equity deals with listed companies, and warranty and indemnity insurance will be a key feature in these deals.
5	**Increase in VC funding from international investors**	Capital will continue to flow to emerging industries. We expect to continue to see large investments in the ICT, ag-tech and healthcare sectors and increasing funding in Australia from overseas-based venture funds, particularly from the US.
6	**Debt prediction**	The large levels of debt liquidity and competition to deploy is likely to lead to sponsors continuing to push the envelope on terms and pricing. The banks will likely continue to remain the dominant source of funding in the mid-market. More bespoke structures may become more common as competition for quality assets pushes PE towards different asset classes.

Indonesia

M&A opportunities in 2019

2018 Highlights

- Reported M&A deal activity by total transaction value significantly increased compared to 2017, influenced primarily by a number of large divestment transactions in the financial services and mining sectors.
- Continued growth of middle class consumption, technology and fintech adoption continue to attract interest from foreign investors.
- In its efforts to encourage and accelerate investment in Indonesia, the Indonesian Government introduced reforms to unify its licensing system through an online one-stop system. Ease of doing business is steadily improving.

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The state of the market

Indonesian M&A market activity in 2018, based on deal value, increased significantly compared to 2017, influenced primarily by a number of large divestment transactions.

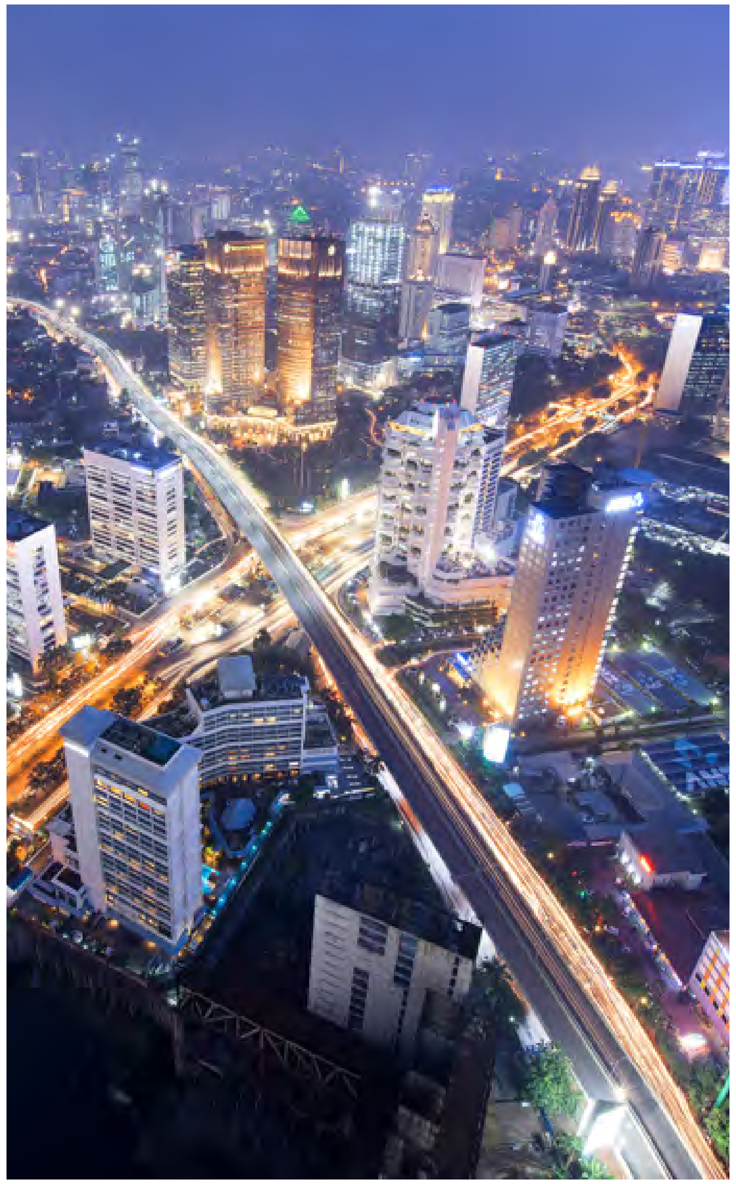
Financial services, energy and agriculture are among the top sectors for completed M&A activity. We advised Rio Tinto on the US$3.5bn divestment of its interest in Freeport's Grasberg mine in Papua in a transaction related to the Indonesian Government's acquisition of a majority shareholding in Freeport Indonesia. We also acted on Indonesia's largest recent M&A transaction representing Temasek on the sale of its controlling stake in IDX listed Bank Danamon to Japan's MUFG Bank.

In terms of volume of deals, the continuing growth of middle class consumption and rapid increase in Indonesia's digital economy have provided opportunities for foreign investors to invest in fintech start-ups.

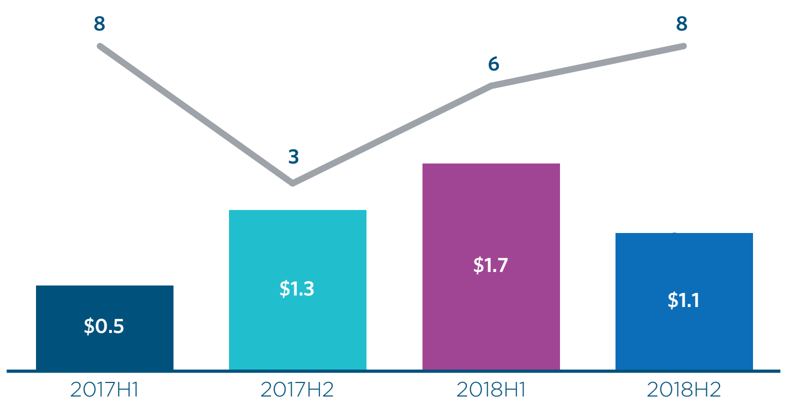
The depreciation of the Rupiah during 2018 along with ownership of dollar-denominated government bonds held by foreign investors makes Indonesia susceptible to capital outflow due to interest rate rises in the USA.

In its efforts to encourage investment, the Indonesian Government issued regulations reforming business licence processing and establishing an online one-stop business licensing system known as Online Single Submission (OSS). This represents a fundamental reform with a potentially far-reaching impact on the operation of Indonesia's foreign investment regime.

The OSS system is a fully online system no longer requiring officials to issue the key licences. This is consistent with the government's broader efforts to improve ease of doing business in Indonesia.



Total value (US$bn) and number of announced Indonesian public M&A deals



Source: Mergermarket*

REFORMS TO WATCH

THE NEWLY ESTABLISHED ONLINE SINGLE SUBMISSION (OSS) BUSINESS LICENSING SYSTEM IS EXPECTED TO STREAMLINE THE OPERATION OF INDONESIA'S FOREIGN INVESTMENT REGIME.

2018 Key deals

- **Temasek** – divested a 19.9% stake worth US$1.171bn and a further 20.1% stake worth US$1.193bn in Bank Danamon, an Indonesian listed bank, to The Bank of Tokyo-Mitsubishi UFJ, Ltd, as part of a series of transactions to sell its entire 73.8% stake in Bank Danamon.
- **Bank Danamon** – sold its 70% stake in Adira Insurance to Swiss insurance giant Zurich.
- **KKR** – KKR's US$8bn acquisition of Unilever's global spreads business involved Indonesian aspects including the asset purchase from Unilever Indonesia Tbk.
- **Rio Tinto** – divested US$3.5bn of its interest in Freeport's Grasberg mine in Papua in a transaction related to the Indonesian Government's acquisition of a majority shareholding in PT Freeport Indonesia.
- **Ant Financial/Alibaba** – invested in two leading Indonesian unicorns: marketplace platforms Bukalapak.com and Tokopedia.com.

Herbert Smith Freehills is acting for, or acted for, Temasek, Bank Danamon, KKR, Rio Tinto and Ant Financial/Alibaba on the deals listed above.

Predictions for 2019

Our key predictions for M&A in Indonesia in 2019 are as follows:

1 Negative list

We expect the Indonesian Government to issue a much anticipated new Indonesian Negative List setting out the business sectors which are completely closed or partially open to foreign investment, after national elections take place in April 2019.

The Government previously announced the liberalisation of foreign investment restrictions in various business sectors to allow 100% foreign ownership, such as, e-commerce, pharmaceuticals, medical equipment and data communication system services.

2 Continued growth of Indonesian unicorns

Indonesia currently has the following four unicorns with values of at least $1bn: ride-hailing company Go-Jek, travel site Traveloka and market place platforms Bukalapak and Tokopedia. We expect fintech to be the most promising sectors to spawn new unicorns in 2019.

3 Increased fintech start-ups

The rapid growth in number of fintech start-ups will continue, particularly in peer-to-peer lending, payment system providers, price comparisons and crowd funding. Foreign players, mainly from China will continue to explore opportunities and seek to further penetrate the market particularly in relation to mobile payments. The disruption caused by start-ups and digital technologies will drive more collaboration between fintech start-ups and traditional financial institutions.

4 Greater activity of state-owned enterprises

Indonesia's state-owned enterprises (SOEs) are the central actors in the current Indonesian Government's strategy. If current President Joko Widodo is re-elected, the Indonesian Government will continue to establish "state-owned holding companies" in various sectors, including construction, finance and food commodities, to enable the SOEs to play a more dynamic role in the economy. This will stimulate SOEs' growth through acquisition of offshore assets over the next few years.

5 Continued mining sector exits and increased oil & gas projects

Due to a mixture of global asset restructurings and political pressures from persistent resource nationalism, large mining companies will continue to exit from their operations in Indonesia. Various oil and gas projects are expected to start up throughout 2019, including the East Natuna Block (Natuna D-Alpha) Project operated by Pertamina, Indonesia's oil and natural gas SOE.

Industry Focus: Energy

Activity in Energy heats up

2018
Highlights

- Uplift in M&A activity in energy and utilities compared with 2017 and 2016 levels.
- Increase in confidence in the oil & gas sector as the oil price improved and stabilised. Industry players still focused on fiscal discipline which is driving consolidation activity. However, opportunistic acquisitions and investment in growth, particularly in the LNG and gas infrastructure space, featured.
- Continued investment and interest in renewables and alternate energy across Asia Pacific not withstanding continued policy uncertainty across much of the region.

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The state of the market

Oil & Gas

Activity levels in Asia in 2018 remained broadly consistent with 2017. While the oil price rose in 2018, there is still sufficient volatility such that consolidation activity has dominated the market and investment trends have altered. For example:

- international companies continued to look to rationalise portfolios, as evidenced by Santos' sale of its portfolio of non-core assets in Asia;
- a number of developers of exploration assets have sought capital injections from investors at an earlier project phase than was common previously, particularly in SEA; and
- there were speculative investments from foreign investors in a number of distressed locally-owned exploration assets.

Activity in developing Asian markets continues to be driven by international players, although regional players such as Indonesia's Medco Energy and Pertamina, Malaysia's Petronas, China's CNPC, Sinopec and CNOOC, and Thailand's PTT Group continue to be very active in the market (both regionally and globally).

There has been continued interest in and strong political support in the midstream and downstream sectors driven by global demand for gas and by strong margins respectively. A number of Asian clients have invested in a range of global LNG projects as well as a number of LNG import terminals.

The Australian oil & gas market has buoyed considerably as a result of the domestic gas shortage on the East Coast and an anticipated global supply shortage of LNG by 2022-23.

There was substantial M&A activity in the upstream sector including Santos' US$2.15bn acquisition of Quadrant Energy and defence of the A$14.4bn Harbour Energy takeover bid, Mitsui's takeover of AWE, and Beach Energy's US$344m sale of Otway Basin assets to Eyal Ofer. Furthermore, the Northern Territory Government ended its fracking ban paving the way for activity in the Territory in coming years.

A rebound in the LNG market saw a number of brownfield expansions and backfill of LNG trains on existing facilities. We anticipate this market will continue to be active over the coming 12-18 months. On the East Coast, plans are progressing for a number of LNG import terminals to assist in the domestic gas crisis.

Renewables & Power

2018 was another year of regulatory uncertainty in the Australian electricity sector, culminating in the removal of Malcolm Turnbull as Prime Minister. A number of projects faced connection issues and required additional capital to address the constraints of a stretched grid and enhanced requirements from AEMO to provide inertia (synchronous condensers featured on a number of projects). Despite those issues there was little abatement in activity in the renewables sector with incumbent and new entrant developers continuing to compete fiercely for high quality sites and PPAs and equity investors continuing to be active. Like 2017 there were a number of smart metering M&A transactions such as the sale of Origin's Acumen business to intelliHUB (a Pacific Equity Partners and Landis + Gyr joint venture) and the proposed sale of Macquarie CAF's smart meter fleet. Competition for smart meters has primarily been between networks and private equity. On the generation front the sale of the coal-fired Loy Yang B (1000MW) plant and the gas-fired Ecogen (960MW) plants closed early in 2018. A potential sale of a 50% interest in Vales Point was mooted but not completed in 2018 and the Perth Energy business is currently for sale by Infratil.

Across Asia, the focus on renewables has intensified, spurred by political support. Offshore wind in Taiwan and wind and solar in Vietnam in particular have shown significant growth. There are high levels of interest in offshore wind in Japan and Korea as the policy and regulatory environment shifts to support these new technologies. The region has seen substantial outbound investment by Chinese companies following the Chinese Government's decision to limit domestic solar and wind capacity additions. Activity has also been driven by strong interest from sovereign wealth funds in acquiring long-term, operational renewables assets. Election cycles in many regions have dampened investment levels in newer energy technology (such as waste-to-energy) as investors wait for policy and regulation certainty.

In a bid to manage power prices, regulators in the region are increasingly focused on competition within markets. This was evidenced by the Thai Government's blocking of PTT Pcl's bid to acquire Glow Energy from Engie (a first).

Energy companies continue to invest in technology either in assisting to create operational efficiencies or in helping to create competitive advantage. A number of the utilities are actively investing in start-ups, largely in the US and Tel Aviv, and diversifying their customer offering to include tech offerings such as broadband.

2018 Key deals

- **Santos** - acquired West Australian-based Quadrant Energy for US$2.15bn.
- **Santos** - divested its portfolio of non-core oil & gas assets across Indonesia, Vietnam, Malaysia and Thailand to Ophir.
- **Santos** - defended the A$14.4bn Harbour Energy takeover bid.
- **Mitsui & Co., Ltd.** - successfully achieved the recommended off-market takeover bid for AWE Limited.
- **Snowy Hydro** - NSW Treasury sold its 58% shareholding in Snowy Hydro for A$4.154bn.
- **Synergy** - entered into a joint venture with DIF and CBUS to form 'Bright Energy Investments', which will build up to 210MW of large-scale renewable energy projects in Western Australia.
- **Macquarie Capital** - sold down 80% of Elaine and Yendon Wind Farms (Lal Lal wind farms).
- **Caltex Australia and AMPOL** – acquired a 20% interest in SEAOIL Philippines Inc.
- **ENN Ecological Holdings Co. Ltd** – acquired a 20-year liquefaction tolling arrangement with Texas-based Freeport LNG from Japan's Toshiba Corporation. This is the first investment by a private Chinese company in the US LNG market.

Herbert Smith Freehills acted on all of the deals noted above.

Predictions for 2019

Our key predictions for M&A in Energy in 2019 are as follows:

1. **M&A expected to maintain momentum, not without challenges**

   While we see a lot of opportunity in the market, continued oil price volatility combined with economic and geopolitical uncertainty will no doubt continue to have an impact on the sector. Companies will continue to be disciplined and focus on break even costs. This will drive consolidation activity – re-engineering of portfolios, corporate-level consolidation and opportunistic counter-cyclical investment. Election cycles and policy uncertainty in many regions, including Indonesia, Thailand and Australia, will see investors show caution. Investment in LNG and gas infrastructure, renewables and new energy and technology will likely continue on a buoyant trajectory. We expect continued fund investment into renewables, increasingly taking development risk.

2. **Regulation and the result of the Australian federal election will drive deals**

   Energy policy will undoubtedly be a major issue in the coming Australian election. The Coalition's 'Big Stick' policy with its compulsory divestment powers has met strong resistance from industry and its 'Fair Dinkum Power' process is in the early stages. The Labour opposition are promising to retain the 'National Energy Guarantee', the policy which caused ructions in the Coalition. We expect the winning party to move swiftly to lock in changes and for industry to respond quickly with adjustments to generation portfolio mixes.

3. **New technologies enter the market in a meaningful way**

   We expect to see a number of new and innovative projects and deals come to market in the second half of 2019. We see strong interest in hydrogen, demand side technologies, behind the meter/disaggregated generation, batteries and retail innovation.

4. **LNG market rebounds**

   We are seeing a lot of activity in the LNG space with a number of mega projects looking to achieve FID in 2019 attracting significant interest from Asian investors. In Australia and PNG, growth in the form of expansion and backfill opportunities is expected, with owners of third party gas fields increasingly looking to reach deals with owners of existing liquefaction facilities. We anticipate continued development of LNG import terminals across many of the emerging markets including South Asia as well as the East Coast of Australia.

Japan

Record breaking outbound M&A

2018 Highlights

- Record year for Japanese outbound M&A, with an increase of 116% in deal value from 2017.
- 2018 saw the largest Japanese acquisition on record, with Takeda Pharmaceutical's takeover of Shire for US$79bn.
- Considerably increased M&A activity in the consumer, financial services, and technology sectors.

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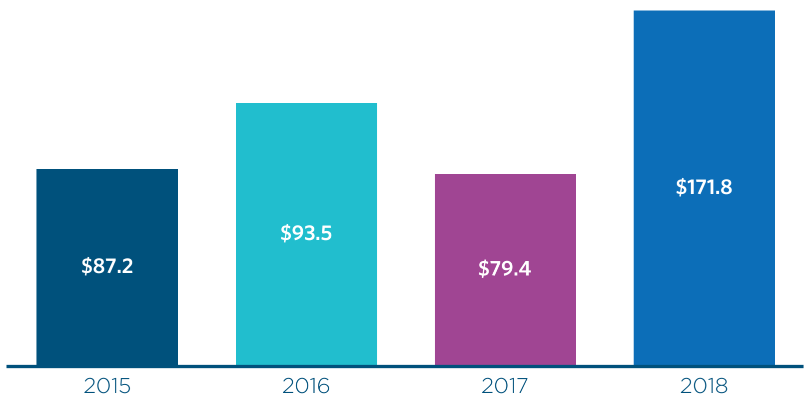
The state of the market

2018 has proven to be a record year for Japanese dealmakers, with the total deal value of transactions announced in 2018 reaching US$171.8bn. This represents an increase of 116.4% from 2017. Increasing corporate confidence and a need for innovation within the Japanese market is likely to continue this trend of outbound M&A.

2018 saw a spike in activity in three sectors in particular: consumer, financial services and technology. The consumer sector in particular grew four-fold between 2017 and 2018. Financial services grew three-fold and Technology grew by just under half (by value).

Takeda Pharmaceutical's acquisition of Shire, for US$79bn, represented the largest outbound takeover on record. The transaction was not only noteworthy for its value, but for the use of equity financing and the role of Takeda's French born CEO Christophe Weber.

Total value (US$bn) of Japanese outbound M&A deals



Source: Mergermarket*

2018 Key deals

- **Takeda Pharmaceutical sale** – Shire acquired Takeda Pharmaceutical, the largest outbound Japanese acquisition on record.
- **MUFG Bank acquisition** – Temasek Holdings sold its 20.1% stake in Bank Danamon to MUFG Bank. MUFG Bank's final stake in Danamon is expected to be over 73.8%.
- **Gunfleet Sands Offshore Wind Farm** – JERA Co. acquired a 24.95% stake in the Gunfleet Sands Offshore Wind Farm project in the United Kingdom from Marubeni Corporation.
- **AWE sale** – Mitsui & Co. Ltd. acquired AWE Limited, an Australian based oil and gas company for US$602m.

Herbert Smith Freehills acted on each of the MUFG, JERA, and Mitsui transactions listed above.

Predictions for 2019

Our key predictions for M&A in Japan in 2019 are as follows:

1 Continued strength in Japanese outbound M&A

Following a record-breaking year in 2018, we expect to see a continued trend of strong outbound Japanese M&A markets. With low domestic growth, an ageing population, and a strong yen, Japanese companies will continue to look overseas for opportunities to invest their estimated US$890bn in cash.

2 Active M&A markets in the consumer, financial services, and technology sectors

Following a considerable increase in M&A activity in 2018, we expect to see continued outbound investment in the consumer, financial services, and technology sectors. Companies operating in the consumer sector are likely to focus on acquisitions within their supply chain, securing their access to components and raw materials.

3 Driving a hard bargain

Learning from a history of overpaying, Japanese companies are increasingly willing to walk away from transactions that they consider to be a bad deal. With a growing sense in Europe and the US that Japanese corporations are desirable purchasers, who will act fairly and with speed as the transaction progresses, Japanese buyers are driving harder bargains. 2019 is likely to see a continued focus on realistic valuations.

4 New technology driving M&A

2019 will see M&A transactions driven by advances in technological capability. Japanese companies are looking for transformational acquisitions, including in artificial intelligence, the internet of things, and wireless connectivity so as to remain at the technological forefront. Beyond only SoftBank's Vision Fund, companies in all sectors are building technology deals into their growth strategies. The largest Japanese outbound acquisition announced in 2018 – Takeda Pharmaceutical's US$79bn takeover of Shire – was in part driven by a desire to create a global R&D-focused biopharmaceutical leader using innovative technology.

Malaysia

Under new management

2018 Highlights

- The historic Malaysian General Election (GE14) on 9 May 2018 ended the 61 year rule of Barisan Nasional in Malaysia, by a wide margin; the first change in power in the country's history.
- With the transition of power, the new Pakatan Harapan ("Alliance of Hope") government is settling into its policymaking role gradually.
- The foreign investment policies of the Pakatan Harapan government are not entirely certain at this stage. However, the signs from within Malaysia are welcoming, there is positive sentiment from overseas and growing investor confidence in anticipation of institutional reforms.
- High-profile arrests of government officials and corporate executives accused of bribery and corruption in the past demonstrates the new government's commitment to political transparency and stronger corporate governance.
- Owing to the seismic nature of the change in government, investors into, and businesses in, Malaysia have adopted a wait-and-see policy while further clarity is forthcoming. However, Malaysia's role in overseas M&A activity has remained relatively strong.

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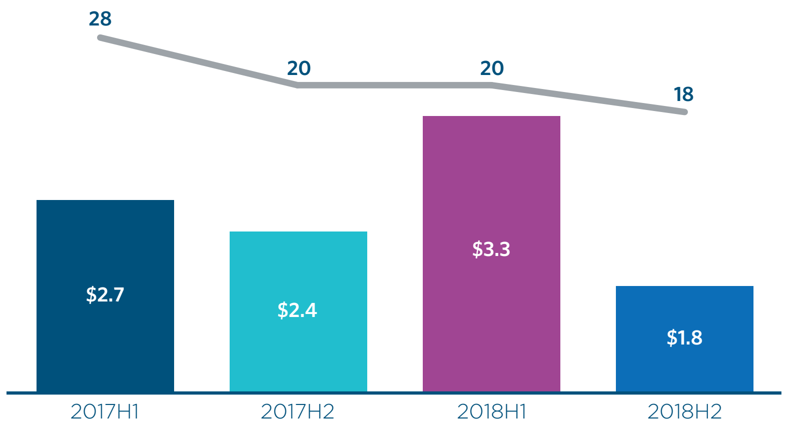
The state of the market

As noted above, Malaysia-related M&A activity was disrupted in 2018 by the historic GE14 outcome, being the first change in power in the country's history. Activity was relatively slow in the first half of 2018 while the election outcome was awaited, and remained relatively slow in the second half of the year while markets reacted and stabilised in response to the change.

Malaysia's economy has remained in reasonable shape, albeit not strongly performing, with growth slowing due to decelerating exports and inactivity amongst the all-important government-linked players in the market, who were most noticeably disrupted by the election outcome. In addition, supply chain disruption owing to the US-China trade war, weaker oil prices and fears of potential emerging market debt crises (none of these being exclusive to Malaysia) have contributed the current economic landscape.

Total value (US$bn) and number of announced Malaysian public M&A deals



Source: Mergermarket*

According to a report by Duff & Phelps, Malaysia saw a significant reduction in corporate transactional activity in 2018 with total deals in M&A, private equity/venture capital IPOs valued at US$12.5bn, compared to materially stronger levels in 2017 with deals valued at US$20.3bn. For the year 2018, there were 338 M&A transactions valued at US$11.4bn (compared to 408 deals valued at US$17.6bn for the year 2017). The decrease was primarily due to a reduction in inbound M&A transactions (with 93 deals valued at US$5.7bn in 2018, compared to 138 deals valued at US$10.5bn in 2017).

Activity in public markets also slowed, with Mergermarket reporting 38 deals valued at US$5.1bn in 2018 (compared to 48 deals valued at US$5.1bn in 2017). Total deal value in the second half of 2018 was US$1.8bn. This represented a 25% decrease in total deal value compared to the second half of 2017 (US$2.4bn) and a 45% decrease compared to the first half of 2018 (US$3.3bn).

There were promising signs in the healthcare and education sectors, with Malaysia seeing material activity both inbound and outbound, and real estate continued to be the top sector for domestic investment activity.

2018 Key deals

- **IHH Healthcare** – Mitsui & Co of Japan acquired a 16% stake in IHH Healthcare from Khazanah Nasional for approximately US$2bn.
- **Sapura OMV Upstream** – Sapura Energy of Malaysia and OMV of Austria signed terms for their upstream oil and gas JV in Asia, with Sapura Energy receiving a reported US$975m.
- **Acibadem Healthcare** – Khazanah Nasional increased its stake in Acibadem Healthcare by 30%, for US$705m.
- **Manuka Health** – Hong Leong of Malaysia is reported to have acquired Manuka Health for a confidential amount, reported to be in the order of US$144m.
- **Tenby Education** – International Schools Partnership acquired Tenby Schools Malaysia from Ekuiti Nasional (Ekuinas).
- **Spicers Malaysia** – Japan Pulp and Paper acquired the Spicers group of companies in Southeast Asia, including Spicers Malaysia.

Predictions for 2019

Our key predictions for M&A in Malaysia in 2019 are as follows:

1 **A more reliable investment environment**

Efforts by the new government to strengthen the rule of law and remove corruption are likely to be seen as attractive by foreign investors. Although, in the short term, a number of immediate investment opportunities may disappear owing to a lack of government funding to support them (particularly in the infrastructure sector, where a number of major projects have been cancelled or suspended) a more conservative fiscal policy and a reduction in national debt is likely to be seen as a long term plus for the economy and for Malaysia as an investment destination.

2 **New laws and policies as Pakatan Harapan makes its mark**

The flow of legislative amendment is anticipated to increase, as the new government finds its feet. A number of significant changes have been made already, such as the abolition of the Goods and Service Tax Act 2014 and the introduction of the Sales Service Tax Act 2018 it its place, and the withdrawal of certain legislation perceived to be oppressive such as the anti-fake news bill. With change in law comes uncertainty, of course, but if the legislative amendments are aligned with the government's pledge to improve transparency and instil good governance then they are likely to be viewed as positive by foreign investors.

3 **Cautious, moderate growth**

The implications of domestic politics, and policy transition, for the economy more generally remain unclear, particularly as there are a number of external factors impacting on the region and the global economy to which Malaysia is exposed. The Socio-Economic Research Centre (SERC) reports that growth in private investment in 2018 (estimated to be 4.1% per annum) would improve slightly in 2019, to 4.3% per annum. Whatever efforts are made within Malaysia, private investment growth is likely to be cautious and moderate owing to the slower global economy and persistent trade tensions.

4 **Sectors and participants**

Healthcare, education and renewables are forecast to be key sectors for investment activity in 2019, with investment into renewables being particularly active with the new government taking a strong pro-environment stance and with the release of a third round of large scale solar tenders placing more assets into the market. Malaysia's government-linked companies form a significant part of the market. Reports indicate that they are likely to be active, perhaps more on the sell-side than the buy-side, as they respond to the new government's approach, priorities and, perhaps most importantly, desire for reduction in national debt.

Myanmar

Long-term optimism remains

2018 Highlights

- General restrictions around investing into a wholly locally-owned company lifted.
- Local companies allowed up to 35% foreign ownership whilst retaining 'local' status, thereby effectively opening up previously closed parts of the economy to foreign minority ownership.
- Liberalisation of the insurance sector.
- Trading sector opened up to allow 100% foreign-owned companies and joint ventures to engage in retail and wholesale trading activity in Myanmar of various local and imported commodities.
- Education services open to foreign investment expanded.
- New Companies Act introduced representing a significant modernization of the rules for the formation, governance, administration and activity of companies.
- Foreign banks permitted to lend to local businesses.

Improving regulartory environment for investors

Although 2018 was seen by some as another slower than expected year for M&A and investment generally into Myanmar, due in large part to the ongoing adverse impact of the Rakhine situation and slow government approval processes, we continued to see significant activity in the telecoms, towers and oil and gas sectors (including downstream) – in particular advising on a multi hundred million US dollar private equity transaction - and there remains reason to be optimistic about 2019 and beyond. Other busy sectors have included education, healthcare, consumer, food and beverage, and energy and infrastructure generally.

Hot on the heels of Myanmar's new Investment Law and Competition Act, 2018 saw the introduction of various important investment-related laws, including the long awaited new Companies Act, which in turn re-ignited investor interest in Myanmar. Of particular note, the new law re-defines a 'local' company as including up to 35% foreign ownership, thereby liberalizing sectors previously restricted to 100% locally-owned companies. Other key features include that share transfers between 'local' and 'foreign-owned' companies are no longer generally prohibited, minority shareholder rights have been expanded, and different classes of shares are now given express legal basis, providing investors with more sophisticated structuring and improved risk management options.

Market liberalisation

In a significant step forward for the trading sector in Myanmar, Myanmar's Ministry of Commerce (MOC) issued Notification No. 25/2018, which opens the way for 100% foreign-owned companies and joint ventures to engage in retail and wholesale trading activity in Myanmar of various local and imported commodities, subject to satisfying certain regulatory criteria. This represents an important departure from the previous position which limited foreign joint venture companies to only conduct trading of certain fertilizers, seeds, pesticides, hospital equipment and construction materials.

By Notification No. 7/2018, the Myanmar Investment Commission opened fully the range of permitted investment activities in education services. In a move welcomed by local businesses, pursuant to Notification No. 6/2018, branches of foreign banks registered in Myanmar have now been given the right to provide financing and other banking services to local businesses.

Challenges remain

In World Bank's 2019 Doing Business rankings, Myanmar ranked 171th out of 190 economies in the overall ease of doing business, unchanged from last year's position. It is the third consecutive year where the country has not advanced its ranking, remaining as the worst place in ASEAN to conduct business. Clearly, Myanmar's government still has some important work to do to improve investor confidence and speed up investment processes. In practice, negotiating M&A transactions in Myanmar remains a time consuming process, with regulatory approvals often taking a long time to obtain (at least on the more significant or complicated M&A transactions we have worked on).

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Predictions for 2019

Our key predictions for M&A in Myanmar in 2019 are as follows:

1 **Banking M&A**

In January 2019, the Central Bank of Myanmar (CBM) issued a notice allowing Myanmar private banks to accept up to 35% equity investment from foreign banks and financial institutions, in a move that marks a change in the policy of the CBM which until now had not permitted foreign investment in locally owned Myanmar banks. This is a positive development for the local banks, many of whom need injections of capital, technology and knowhow to expand, and for foreign financial institutions too, who may now gain exposure to Myanmar's retail banking sector.

2 **Insurance sector**

In January 2019, the Ministry of Planning and Finance at long last announced plans to liberalise the insurance sector by permitting foreign insurers to apply for insurance licenses in both the life and no-life sectors. This will lead to a flurry of activity in the first half of 2019 as investors rush to try and comply with the aggressive licensing timetable.

3 **Trading business**

As a result of the Ministry of Commerce's recent trading relaxation which enables foreign companies and foreign joint venture companies to operate wholesale and retail businesses, subject to satisfying certain requirements, we expect to continue to see further investment and joint venture activity in the sectors throughout 2019.

4 **Rise in minority investments**

As a result of the new company law amending the definition of 'local' company to include up to 35% foreign ownership, and the lifting of the prohibition on investing into a purely 'local' company, we expect to see more foreign investors taking advantage of this new market liberalisation and entering into joint venture arrangements with local partners across different sectors. Indeed, we have already seen a lot of interest from our clients in the trading, healthcare and insurance sectors.

5 **Traditional markets**

We expect to see further consolidation and restructuring in the upstream oil and gas and telecom sectors. Investors will need to be vigilant about the new merger regime under the Competition law, which (at the time of writing) is expected to be clarified soon.

2018 Key deals

- CNPC transferred to Woodside participating interests in the Production Sharing Contracts for Blocks AD-1, AD-6 and AD-8, offshore Myanmar.
- Confidential multi hundred million US dollar private equity investment in the telecoms sector.
- Confidential proposed acquisition of a majority interest in a major port in Yangon on a concession basis.
- IFC, Government of Canada, and Norfund invested in Yoma Micro Power.

Herbert Smith Freehills is acting for, or acted for, the purchaser in each of the top 3 deals listed above.

Singapore

Decline in activity amid headwinds

2018 Highlights

- 2018 witnessed a decrease in deal value compared to 2017. While deal volume during the second half of 2018 was similar to the corresponding period in 2017, overall deal volume also declined in 2018.
- Inbound deal value declined significantly in 2018, as a result of lower activity overall and the absence of large deals which were seen in 2017. Outbound deal value also declined in 2018.
- In relation to dominant sectors, the tech sector dominated inbound deals by value, whilst financial services and real estate sectors dominated outbound deals by value.
- In relation to outbound activity, Singapore's state funds (GIC and Temasek Holdings) continued to drive activity.

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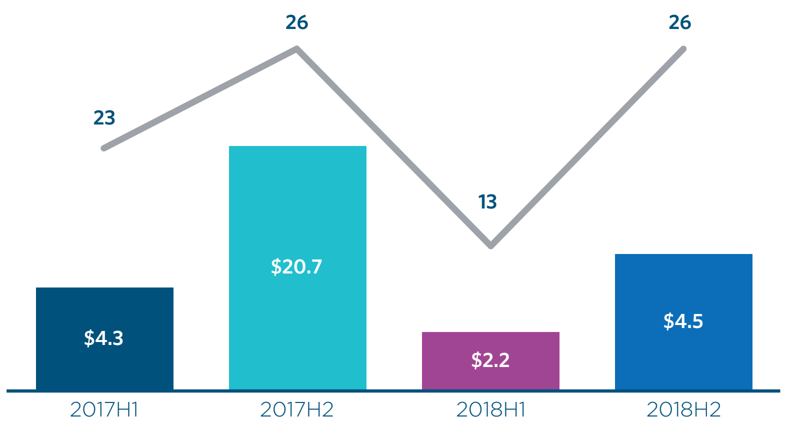
The state of the market

The level of M&A activity observed in 2018 was lower than that seen in 2017, both in terms of deal value and deal volume.

Two large deals had driven inbound activity in 2017 – the acquisition of Global Logistics Properties Limited (on which Herbert Smith Freehills advised) and the acquisition of CWT Limited. The absence of similarly large deals in 2018 impacted overall inbound activity (by value).

Despite the dip in activity in 2018, Singapore retains its position as a strategic hub in Southeast Asia. This view is strengthened by Singapore's strong position in the region especially with regard to the tech sector, in relation to which we advised on a series of funding rounds during 2018.

Total value (US$bn) and number of announced Singaporean public M&A deals



Source: Mergermarket*

2018 Key deals

- **Ant Financial** - various investors (including Singapore-based GIC and Temasek) acquired an undisclosed stake in the China-based operator of online payment platforms that provides mobile payment services and small loans. The funding round was estimated to be valued at around US$14bn. The transaction placed an estimated value of US$150bn on Ant Financial.
- **Grab** - various investors participated in multiple fundraising rounds which raised a total of over US$2bn for Grab, a Singapore-based technology company that offers ride-hailing and logistics services through its app. These investors included various investment management companies, corporations, venture capital funds and private equity funds (including Toyota Motor Corporation which invested US$1bn).
- **Airtel Africa** - Singtel (a listed Singapore-based company engaged in the operation and provision of telecommunication systems and services) partnered with global investors Warburg Pincus, Temasek, SoftBank and others on a US$1.25bn investment round in Airtel Africa, the second-largest telecoms company in Africa. Airtel Africa has over 94 million customers in 14 African countries, while over 11 million people use its mobile wallet service, Airtel Money.

Herbert Smith Freehills acted for Singtel on the Airtel Africa transaction described above.

Predictions for 2019

Our key predictions for M&A in Singapore in 2019 are as follows:

1 Asset management and financial hub

Despite weaker M&A activity, Singapore continues to strengthen its position as a global asset management hub, supported by a business-friendly regulator and strong rule of law. For instance, following consultation by the Monetary Authority of Singapore in relation to an innovative new corporate structure for investment funds (previously called the Singapore Variable Capital Company or S-VAAC), the Variable Capital Company structure was introduced in 2018.

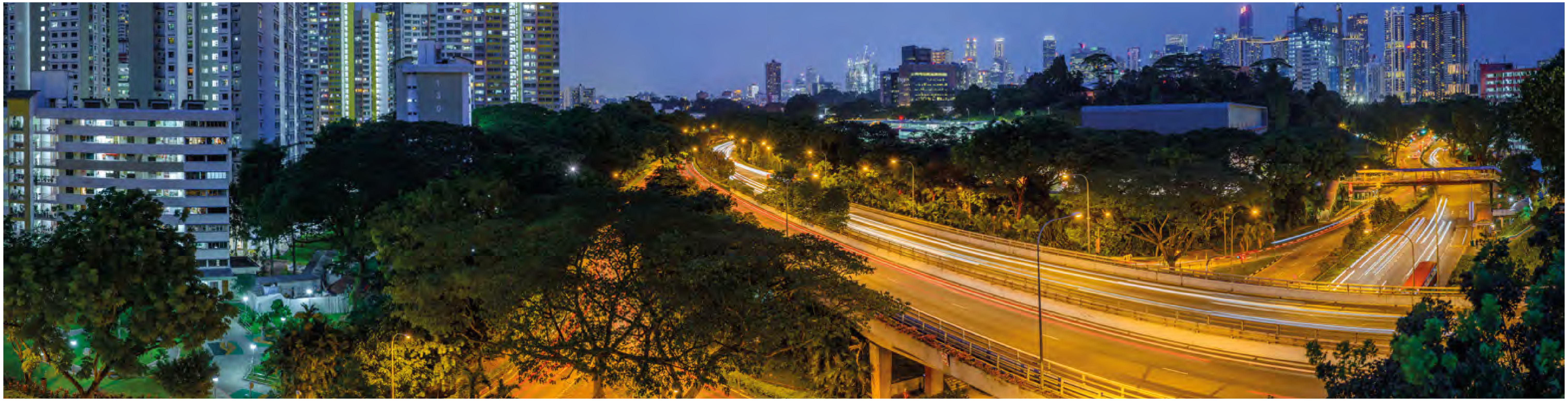
Singapore remains a hub of financial activity in APAC and it led venture capital activity in the region in 2018. Our Singapore office continues to work on a range of cross-border matters where the relevant assets are based offshore, highlighting the importance of Singapore as a strong regional business hub.

2 Increasing focus on tech and financial services

While traditionally active sectors such as real estate are likely to continue to contribute to deal activity in 2018, the tech sector is increasingly playing a prominent role. Following significant fundraising activity across the sector in 2017, companies like Grab maintained the momentum in 2018 with significant fundraises. Subject to global cues, we expect to see this trend continue in 2019 in relation to the tech sector (especially in relation to sub-sectors like e-commerce, financial services and mobility).

3 M&A activity to track global cues

We have previously flagged that outbound investment from China and the wider geopolitical environment would be critical in relation to M&A activity in the region. In 2018, tension between China and the USA affected investment activity and its effects are likely to flow into 2019. The wider (regional and global) geopolitical environment (e.g. the outcome of elections to be held this year in Indonesia) will continue to remain critical in relation to investment activity.



South Korea

Conglomerates and financial buyers lead record year for M&A

2018 Highlights

- Coming off a strong 2017, 2018 was a record year in terms of number of deals for Korean M&A, with 401 announced domestic deals (up from 325 in 2017), 48 inbound deals (up from 44 in 2017) and 86 outbound deals (up from 78 in 2017).
- Conglomerates and financial buyers were active both domestically and abroad, and especially in the Technology and Industrials & Chemicals sectors.

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The state of the market

In the midst of increasing global political and regulatory uncertainty, 2018 was a relatively stable year in South Korea, with inter-Korean summits somewhat easing political tensions with North Korea and President Moon Jae-In's first full year in office. With no major geopolitical deal stoppers and armed with significant dry powder, Korea's major conglomerates (chaebols) and domestic/international financial buyers led the nation's robust M&A activity.

Securing specialised/high-end technology and industrial products key drivers in outbound M&A

Technology and industrials & chemicals were two of the most active sectors, with LG Group's acquisition of Austrian premium automotive lighting company ZKW Holding and a KCC-led consortium's announced acquisition of U.S. silicone maker Momentive Performance Materials being two representative examples. Consistent with such headline deals, in 2018, Herbert Smith Freehills represented Korean parties armed with cash and mandates to secure specialised/high end technologies and industrial products, and diversify geographies, in outbound M&A transactions (with a significant portion of our deals in these technology and industrials & chemicals sectors) targeting every populated continent.

Financial buyers continue to be major players

Financial buyers, including private equity funds, continued to be major players and involved in many of the headline-grabbing deals, including the ADT Caps and Momentive Performance Materials deals noted below, as well as Softbank Vision Fund's US$2bn investment into the country's largest e-commerce firm Coupang.

2018 Key deals

- **SK Telecom and Macquarie/ADT Caps** - South Korea's largest telecom firm SK Telecom (55%) and Macquarie Infrastructure and Real Assets (45%) acquired domestic security systems company ADT Caps from The Carlyle Group for an aggregate consideration of approximately US$1.2bn.
- **LG Electronics and LG Corp/ZKW Holding** - LG Electronics (70%) and LG Corp (30%) acquired ZKW Holding, an Austrian automotive lighting company, for an aggregate consideration of approximately US$1.3bn.
- **KCC/Momentive Performance Materials** - A consortium of KCC Corp. (a Korean domestic building and industrial material company), SJL Partners (a Korea-based private equity firm) and Wonik Group (a local semiconductor equipment producer) agreed to acquire U.S. silicone maker Momentive Performance Materials for an aggregate consideration of US$3bn. The transaction is due to be completed in the second half of 2019.
- A **Korean infrastructure fund's** acquisition of infrastructure assets in the Middle East, a **Korean conglomerate's** investment into an Indonesian company and a **Korean consumer company's** acquisition of an Australian company.

Herbert Smith Freehills (HSF) acted for a party on each of the deals listed in the bottom bullet point above. A HSF lawyer was an external expert member on the investment committee of National Pension Service of Korea in relation to the financing of KCC/Wonik/SJL Partners' acquisition of Momentive Performance Materials.

Predictions for 2019

Our key predictions for M&A in South Korea in 2019 are as follows:

1 M&A market will remain robust despite headwinds in the domestic economy

While a slowdown in the domestic economy is expected in 2019 due to various factors, key M&A drivers will continue to support strong M&A activity, even if not at the record levels set in 2018. Such drivers include large cash reserves and committed capital to deploy for acquisitions, the strategic need for large Korean conglomerates to stay ahead in a rapidly-changing technological environment, and the search for new geographical markets in connection with expansion plans.

2 Financial buyers will remain active

Financial buyers have been active players in Korea. We have observed domestic private equity funds and asset managers focusing more on outbound investments and teaming with sovereign wealth funds and/or strategic investors when looking into overseas assets, as exemplified by the acquisition of Momentive Performance Materials noted below. Korean financial buyers have also been active in real estate and infrastructure investments in Europe and other regions.

3 Sectors to watch

Real estate and infrastructure sectors (in Europe and other regions) are expected to continue to be areas of interest for Korean financial buyers who are becoming more familiar with auction processes.

Korean strategic investors continue to look for high-tech/specialised technologies (eg., energy storage systems, artificial intelligence) and industrial products (specialised chemicals), and also consider venture capital-type investments to secure market access and innovative technologies.

We expect to see continued interest and investment in the Korean renewables sector with the transition to renewables supported by concerns over the nation's air quality and the Korean government's commitment to achieve 20% of domestic generation from renewables by 2030. Refinements made to Renewable Energy Certificate weightings to strongly favour offshore wind and Energy Storage System connected renewables projects may make such technologies more attractive for investment by domestic and international players.

Industry Focus: TMT

TMT claims three of the top five deals

2018 Highlights

- 2018 was one of the strongest years on record for inbound M&A activity across Asia-Pacific in the technology, media and telecommunications (TMT) sector.
- There were 1,813 deals, totalling over US$183bn in deal value. Excluding domestic deals, there were 222 deals inbound to APAC worth US$56.33bn.
- Technology continues to dominate the sector, accounting for 75% of TMT deal value.
- China remains the driver of investment in the region, with China-based deals accounting for 50% of total APAC TMT M&A activity.
- India reported a 24% increase in deal value from 2017, in part due to two TMT 'megadeals'.

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The state of the market

TMT M&A activity in the Asia-Pacific region in 2018 reported an 11% increase in the number of deals, and a 6% increase in deal value compared to 2017. APAC TMT deals accounted for 23% of global TMT deal activity, despite a general slowdown globally amidst intensifying political instability and trade tensions.

China continued to dominate the region, accounting for 50% of total APAC TMT deal value, with 695 deals totalling US$90.8bn. 85% of these deals were transacted by Chinese investors. Excluding domestic deals, there were 48 deals inbound to China worth US$17.08bn.

The number of semi-conductor deals in 2018 increased by 40%, with around half of them in China and 16% in South Korea, in both cases largely domestic deals.

Three of the top five deals by value across all sectors for APAC in 2018 were TMT targets, and all of those deals were 'megadeals' valued at over US$10bn. These included the Flipkart, Ant Financial Services and Indus Towers deals listed in 'Key Deals' below.

2018 Key deals

- **Walmart Stores and Flipkart Internet** – Walmart agreed to acquire a 77% stake in the India-based e-retailer, Flipkart Internet, for US$16bn.
- **12 investors and Ant Financial Services Group** – Alibaba's Ant Financial Services raised approximately US$14bn from overseas and domestic investors.
- **Bharti Infratel and Indus Towers** – Bharti Infratel acquired Indian telecoms tower company Indus Towers for US$10.7bn.
- **TPG Telecom and Vodafone Hutchison Australia** – the US$6.2bn merger between equals TPG Telecom and Vodafone Hutchison Australia.

Herbert Smith Freehills acted for TPG Telecom on the deal listed above.

Predictions for 2019

Our key predictions for M&A in TMT in 2019 are as follows:

1 **Surge of TMT deals in APAC to continue**

Data (from Intralinks) indicates that M&A activity in APAC should see double digit growth in the first half of 2019, led by the TMT, Energy & Power and Materials sectors (at around 20% growth). APAC is the only region where TMT deal activity is anticipated to grow significantly in 2019. Asset valuations in most TMT sub-categories are likely to further inflate in APAC in 2019, continuing 2018's trend of record deal values in internet/e-commerce, media and telecoms hardware and near-record highs in software and semiconductors.

2 **Digital revolution means software will still be the driver**

Deals relating to digital transformation, bolstering technology offerings or consolidating a particular class of technology will continue to drive activity in 2019, with software the most popular asset. Over the past five years in APAC, software has grown 164% by deal value and 115% by deal volume. Application software businesses, health and fin tech assets, cognitive technologies and artificial intelligence are likely to attract increased focus in 2019.

3 **China as a world leader in TMT**

China's TMT sector now rivals the US for world dominance. The Chinese government aims to lead in a number of areas, including artificial intelligence. Large equity funding rounds (US$100m or more) in China outpaced the US by almost double in 2018 (according to Crunchbase). Despite macro-economic challenges, we expect China to dominate APAC TMT M&A in 2019, particularly for domestic deals, and China outbound TMT deal activity will also grow.

4 **Telecoms continues to reshape itself**

Telecoms carrier consolidation, divestiture of infrastructure assets and digital related service acquisitions will continue in 2019. Over the past five years in APAC, the number of telecoms carrier deals has fallen 60%, although telecoms hardware deal value has increased by 115%.

5 **Data as an asset**

Increasingly, data issues are attracting more attention in due diligence, valuation and deal risks/protections across M&A in all sectors. Experience elsewhere suggests regulators are starting to pay close attention to data in the context of deals. We expect these issues to become more pronounced in APAC in 2019.

Thailand

Resurgence of activity in 2018

2018 Highlights

- Thai companies shifted their main focus from overseas opportunities in 2017 to domestic opportunities in 2018, resulting in an increase in both volume and value for domestic investment and a decrease in outbound investment.
- Large value 'mega-deals' returned in 2018 for inbound and domestic M&A activity. The total inbound deal value increased from US$3.8bn in 2017 to US$10.8bn in 2018, while outbound deal value decreased from US$7.9bn in 2017 to US$5.4bn in 2018.
- The government's Eastern Economic Corridor (EEC) initiative lurched into action, with various big-ticket infrastructure projects being put out for tender and seeing significant investor interest.
- The Trade Competition Commission appears to be taking a more active role in merger control and investigating alleged anti-competitive conduct.

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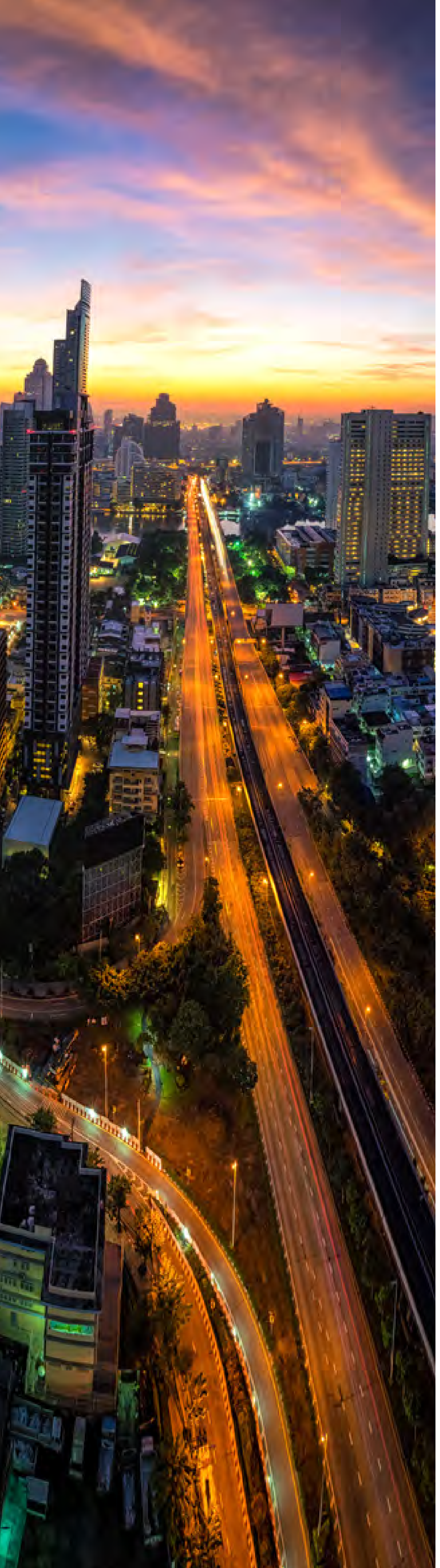


The state of the market

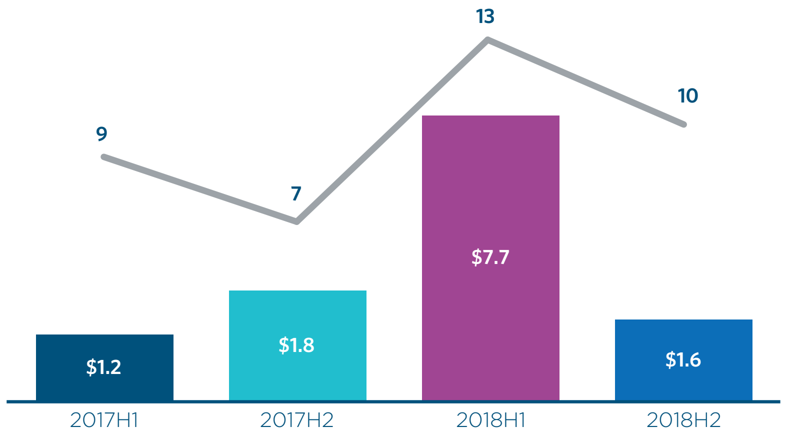
Despite China's growth slowdown and the ongoing trade dynamics between China and the US, both of which had an impact on Thailand's export-driven economy, Thailand's full-year GDP growth in 2018 posted a strong 4.5 per cent. This was reflected in a resurgence of inbound and domestic deal activity during 2018, as predicted in last year's edition of this Review.

In the later quarter of the 2018, we saw strong interest in infrastructure and transport related joint ventures, as well as in the e-commerce and TMT space more generally. Our Bangkok-based team also saw an increased Trade Competition Commission activity, in a trend which is likely set to continue into 2019 and beyond. Such activity is in part due to the regulators tightening the laws on merger control by introducing the Trade Competition Act B.E. 2560 (2017), which repealed and replaced its 1999 model.

The total value of inbound and domestic deal activity in 2018 was approximately US$10.8bn, which closely resembles the value in 2016, when we also saw a surge of mega-deals. 2018 also saw continued M&A investment overseas, with Vietnam, Myanmar and Cambodia being amongst the top countries which attracted the most Thai corporate investment. The primary factors behind 2018's high deal value were Global Power Synergy Public Company Limited's US$5.17bn acquisition of Glow Energy Public Company Limited and Thai Beverage Public Company Limited's US$4.83bn acquisition of SaigonBeer Alcohol and Beverage Joint Stock Corporation owned by Vietnam Beverage Company Limited.

Commencement of the big-ticket infrastructure projects worth over US$30bn under the EEC development scheme is also attracting significant foreign investor interest in Thailand, particularly from Chinese and Japanese businesses. The EEC development scheme, which aims to connect key transportation bases in Chachoengsao, Chon Buri, and Rayong to help facilitate its designs to become the gateway for trade and investment into the Southeast Asia region, has lead to a renewed interest in infrastructure M&A.

Total value (US$bn) and number of announced Thai public M&A deals



Source: Mergermarket*

2018 Key deals

- **Global Power Synergy Plc** – In a US$5.17bn acquisition, Thailand-based producer and distributor of electricity and water, which is also the power business arm of PTT Group, acquired 69.1% stake in Glow Energy Plc, with the condition that Glow must sell some of its power plant assets at Map Ta Phut before the acquisition. The deal was initially blocked by the Energy Regulatory Commission of Thailand due to concern about the monopoly.
- **Thai Beverage Public Company Limited** – In a US$4.83bn acquisition, Thailand-based beverage manufacturer and distributor, Thai Beverage Public Company Limited, acquired a 53.59% stake in SaigonBeer Alcohol and Beverage Joint Stock Corporation, which is a public corporation in the Socialist Republic of Vietnam and are listed on the Ho Chi Minh City Stock Exchange. The deal enabled the Thai Bev Group to expand in the region and provide access to an extensive distribution network.

Predictions for 2019

Our key predictions for M&A in Thailand in 2019 are as follows:

1 Impact of general elections

At the time of writing, general elections are expected to be held in Thailand on Sunday, 24 March 2019. The announcement has so far resulted in a positive political sentiment amongst locals, coming as it will after much delay. Regardless of the election's outcome, the new government transition is expected to be relatively smooth, as the junta has put in place measures ensuring the military's continuous influence on Thai politics. Such a smooth transition may help boost investor's confidence in Thailand in the long-run as fears of a rise in political stability are subdued – this in turn it is hoped will lead to a continuation of positive trends in M&A deals.

2 Infrastructure investment

Thailand 4.0 aims to transform Thailand's past economic models and open up positive growth across several industries, in an attempt to ensure Thailand avoids the middle income trap and remains in the running to be a regional economic hub.

Infrastructure development is seen as a key part of this goal, with Thailand having recently rolled out plans for developing its eastern provinces into a leading ASEAN economic zone with a projected completion date of 2021. The EEC initiative will no doubt lead to increased investment in 2019. Certain of the EEC infrastructure development projects are expected to enter their first and second phases in 2019, following a big push at the end of 2018 and beginning of 2019 to award the projects quickly. Projects include a high-speed train connecting three airports, the U-Tapao station, Laem Chabang Port and Map Ta Phut Port, all of which are aiming to incentivise and accommodate further economic activities between Thailand and its neighbouring countries including Cambodia, Laos, Myanmar and Vietnam. We expect to see significant further joint venture investment activity in relation to these projects, as parties form consortia to bid for the variety of projects on offer.

3 Inbound investment

With the EEC infrastructure projects starting to gain traction, and the government's plans for Thailand to cement itself as a global digital hub, we anticipate the continuation of foreign direct investment in industries such as real estate, logistics, energy and utilities, and infrastructure, with more investment being structured under the public-private joint partnership scheme, as well as investment in tourism.

We also expect a continuation of support and cooperation from Japan and China given their ever increasing focus on Thailand.

4 Outbound investment

Due to the short term impact of uncertainties arising from the elections and ongoing US-China trade tensions, we expect the level of Thai outbound M&A to potentially reduce in 2019 relative to 2018.

Vietnam

Continued growth and a positive outlook

2018 Highlights

- From January to 20 November 2018, there were 582 foreign related M&A deals valued at US$7.6bn, up 44.4% on 2017.
- TMT, with a focus on e-commerce, had another strong year.
- Renewable energy industries – particularly solar – saw a spike in interest as a result of new solar and wind regulations.
- Consumer-driven industries continued to perform well, including F&B, healthcare, pharmaceuticals, retail and education.
- Domestic M&A continued picking up.
- Private Equity transactions on the rise.
- New Law on Competition approved, which will take effect from 1 July 2019.

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The state of the market

Despite getting off to a slow start, 2018 was another strong year for M&A activity in Vietnam, with investors continuing to be drawn by Vietnam's relatively stable political backdrop, low labour wages, expanding young population and burgeoning middle class with a fast-increasing disposable income to boot.

According to Vietnam Investment Review, from January to 20 November 2018, there were 582 foreign related M&A deals valued at $7.6bn, up 44.4% on 2017 and accounting for 24.7 % of the total newly registered foreign investment.

Whilst we have been particularly busy in the last 12 months advising clients on their TMT (especially e-commerce), renewables (particularly solar) and retail sector investments, other busy sectors included processing and manufacturing, retail and wholesale, construction, science and technology, F&B, healthcare, pharmaceuticals, insurance, real estate and education.

An increasing number of M&A deals involve private equity players, as the pool of investment targets grows and knowledge of the private equity process and benefits it can bring trickles down to more local counterparties. We are consequently aware of a number of major private equity players particularly focusing on Vietnam. This trend can be highlighted by Malaysia-based investment fund Creador's announcement in 2018 to open an office in Ho Chi Minh City and spend as much as 15% of its US$500m Creator IV fund on Vietnam-based private equity over the next three years.

The perception amongst foreign investors that acquiring an existing business in Vietnam is a quicker route to market than establishing a project from scratch remains strong. This has been spurred on by the ongoing mass privatisation of state owned entities, Vietnam's ever improving legal regime under the Investment Law and Enterprise Law, and increased liberalization, which is helping to draw more crowds by making it easier for funds to structure their investments and to invest in more sectors with greater certainty. Foreign ownership limitations which historically restricted overseas investment continue to be eliminated either sectorally – as phase-in periods for full foreign ownership contained in the 2007 WTO accession become effective – or for listed companies that, under new regulations, pass the appropriate shareholder resolutions allowing foreign shareholders to own more than 49%.

Whilst this is all good news for Vietnam, investors should still be aware that local business operational challenges remain, albeit they are slowly improving. Corruption continues to be a widespread problem, and corporate governance and management standards in Vietnam are still perceived by many as relatively low – particularly in private family run businesses and equitized businesses.

2018 Key deals

- **GIC** invested US$1.3bn in Vinhomes JSC.
- US$922m was invested in **Techombank**, one of Vietnam's largest banks, by various investors, including Warburg Pincus.
- **Sojitz Corporation** acquired 9 5% of the shares in Saigon Paper Corporation.
- **Jardine Cycle & Carriage** purchased additional shares in Vinamilk.

Herbert Smith Freehills acted on numerous Vietnamese investments and market entries in 2018, including in the renewable energy and e-commerce space, but for confidentiality reasons we cannot disclose further details.

Predictions for 2019

Our key predictions for M&A in Vietnam in 2019 are as follows:

1	**Positive outlook for 2019**	The general outlook for the Vietnam economy is expected to continue to be positive in 2019, with Vietnam looking set to continue to be seen as one of the more attractive investment destinations in Southeast Asia, thanks to high economic growth in the country, its large and expanding consumer market and strengthening position as a production hub. Sectors that are expected to see particular attention include renewable/green power and infrastructure, retail, hospitality (tourism) and logistics.
2	**Continuous equitisation**	Whilst the government will continue to push for equitisation of key state owned entities, a sluggish stock market and sale processes will likely continue to hamper the divestment process and put off some strategic investors – as we saw in 2018. There are some 140 state-owned enterprises (SOEs) slated to be sold between now and 2020. Examples of SOEs to be divested in 2019, pursuant to Decision No. 1232/2017/QD-TTg, include Vietnam Airlines Corporation (35.16%), Airports Corporation of Vietnam (10.4%) and Vietnam Industrial Construction Corporation (36%).
3	**US - China trade war implications**	There are early signs that Vietnam may be the main beneficiary of changes in supply chain activity stemming from the ongoing trade skirmish between China and the US, particularly given Vietnam's recent signing of the new CPTPP trade agreement and EU-Vietnam Free Trade Agreement.
4	**Outbound M&A on the rise?**	Historically, the Vietnamese government was reluctant to approve Vietnamese overseas investment, however there has been a slow relaxation of this in recent years – highlighted by investments from the likes of Viettel, Vinamilk and BIDV. We expect the trend of further overseas investment to continue.
5	**New Law on Competition to take effect**	The precise consequences of the New Law on Competition, which takes effect from 1 July 2019, are still not entirely known, but given its potential broad scope, investors can expect to see competition considerations playing a larger role in inbound M&A, in turn leading to potentially longer time-frames between signing and closing transactions as regulator sign-off or clarification is sought.

2018 Asia Pacific M&A achievements

1st

By deal count and value

Asia Pacific

(Ex. Japan)

1st

By deal count and value

Australasia

1st

By deal count and value

Australasia & New Zealand

Deals of the Year (2018)

M&A DEAL OF THE YEAR
YANCOAL ACQUISITION OF COAL ALLIED
AUSTRALASIAN LAW AWARDS 2018

M&A DEAL OF THE YEAR
ALIBABA'S ACQUISITION OF SUN ART RETAIL
CHINA LAW & PRACTICE AWARDS

M&A DEAL OF THE YEAR
ROSNEFT/ESSAR OIL
IFLR ASIA AWARDS

M&A DEAL OF THE YEAR
MUFG INVESTMENT IN BANK DANAMON
THOMSON REUTERS ALB INDONESIA LAW AWARDS 2018

DEAL OF THE YEAR
I SQUARED CAPITAL'S ACQUISITION OF HUTCHISON GLOBAL COMMUNICATIONS (HONG KONG)
ASIAN MENA COUNSEL 2018

Herbert Smith Freehills held its reputation as the pre-eminent law firm for M&A across Asia Pacific last year, with the firm topping the region's key M&A Legal Advisor league tables for 2018.

Source: Mergermarket, Bloomberg, Thomson Reuters

"OTHER FIRMS HAVE EXCELLENT LAWYERS AS WELL, BUT NOT THE SAME BENCH STRENGTH AS HSF, WHICH HAS PLENTY OF TALENT TO DRAW ON RATHER THAN NEEDING TO RELY ON A FEW KEY INDIVIDUALS"

CHAMBERS ASIA PACIFIC 2019

"WE FIND THEM TO BE PARTICULARLY ABLE TO CO-ORDINATE AND WORK CLOSELY ACROSS DIFFERENT OFFICES AND PRACTICE GROUPS WITHIN THE FIRM. THIS IS VERY HELPFUL ON LARGE PUBLIC AND PRIVATE DEALS AND THEY'RE ABLE TO BRING IN SPECIALITY ADVICE WHERE NECESSARY"

CHAMBERS ASIA PACIFIC 2019

"THEY HAVE A LARGE CROSS-JURISDICTIONAL TEAM, ALL OF WHOM ARE VERY WELL INFORMED, SO THERE'S ALWAYS SOMEONE YOU CAN CALL."

CHAMBERS ASIA PACIFIC 2019

"THE TEAM HAS EXPERIENCE OF SOME OF THE BIGGEST DEALS IN THE MARKET"

CHAMBERS ASIA PACIFIC 2019

"THE TEAM FULLY UNDERSTAND OUR CONCERNS AND APPROACH AND ARE EASY TO COMMUNICATE WITH"

CHAMBERS ASIA PACIFIC 2019

"AT THE FOREFRONT OF UNDERSTANDING WHAT IS HAPPENING IN THE AUSTRALIAN MARKET" AND "KNOWS WHICH BUTTONS TO HIT"

CHAMBERS ASIA PACIFIC 2019

Asia Pacific M&A: rankings and recent awards

M&A Rankings

- **Band 1**, China/Hong Kong: Corporate/M&A: Highly Regarded (International Firms) – *Chambers Asia Pacific 2018*
- **Band 1**, India: Corporate M&A (Desks Based Abroad) - *Chambers Asia Pacific 2018*
- **Tier 1**, Indonesia: Corporate and M&A – *Asia Pacific Legal 500*
- **Band 1**, Indonesia: Corporate / M&A (HBT) – *Chambers Asia Pacific 2018*
- **Tier 1**, Japan: International Firms and Joint Ventures: Corporate and M&A – *Asia Pacific Legal 500*
- **Band 1**, Japan: Corporate/M&A: International – *Chambers Asia Pacific 2018*

Industry Focus Rankings

- **Band 1**, Asia-Pacific Region: Energy and Natural Resources - *Chambers Asia Pacific 2018*
- **Band 1**, Australia: Private Equity – *Chambers Asia Pacific 2018*
- **Band 1**, Australia: Energy & Natural Resources – *Chambers Asia Pacific 2018*
- **Tier 1**, Australia: Energy (Transactions and Regulatory) – *Asia Pacific Legal 500*
- **Tier 1**, Australia: IT and Telecoms – *Asia Pacific Legal 500*
- **Tier 1**, Australia: Natural Resources – *Asia Pacific Legal 500*
- **Tier 1**, Brunei, Leading Firms – *Asia Pacific Legal 500*
- **Tier 1,** China: Foreign Firms: Projects and Energy – *Asia Pacific Legal 500*
- **Band 1**, China/Hong Kong: Energy & Natural Resources (International Firms) – *Chambers Asia Pacific 2018*
- **Tier 1**, Hong Kong: Projects and Energy – *Asia Pacific Legal 500*
- **Band 1**, India: Projects & Energy (Desks Based Abroad) – *Chambers Asia Pacific 2018*
- **Tier 1**, India: Foreign Firms – *Asia Pacific Legal 500*
- **Tier 1**, Indonesia: IT and Telecoms – *Asia Pacific Legal 500*
- **Tier 1**, Indonesia: Projects and Energy – *Asia Pacific Legal 500*
- **Band 1**, Indonesia: Projects & Energy (HBT) – *Chambers Asia Pacific 2018*
- **Tier 1**, Indonesia: Foreign Firms – *Asia Pacific Legal 500*
- **Tier 1**, Japan: International Firms and Joint Ventures: Projects and Energy – *Asia Pacific Legal 500*
- **Tier 1**, Japan: International Firms and Joint Ventures: TMT – *Asia Pacific Legal 500*
- **Tier 1**, Malaysia – *Asia Pacific Legal 500*
- **Tier 1**, Singapore: Foreign Firms: Energy – *Asia Pacific Legal 500*
- **Tier 1**, Singapore: Foreign Firms: TMT – *Asia Pacific Legal 500*
- **Tier 1**, South Korea: Projects and Energy – *Asia Pacific Legal 500*
- **Band 1**, Malaysia: Projects, Infrastructure & Energy (Desks Based Abroad) – *Chambers Asia Pacific 2018*
- **Band 1**, Singapore: Energy & Natural Resources: International – *Chambers Asia Pacific 2018*
- **Band 1**, Singapore: TMT: International – *Chambers Asia Pacific 2018*
- **Band 1**, South Korea: Energy & Natural Resources: International – *Chambers Asia Pacific 2018*

Source: Mergermarket, Bloomberg, Thomson Reuters

Recent awards

LAW FIRM OF THE YEAR
AUSTRALASIA LAW AWARDS 2018
AUSTRALIAN LAWYERS WEEKLY AWARDS 2018

INTERNATIONAL LAW FIRM OF THE YEAR
THOMPSON REUTERS ALB INDIA LAW AWARDS

PRIVATE EQUITY LAW FIRM OF THE YEAR
BEST LAWYERS 2018, AUSTRALIA

CONSUMER M&A LEGAL ADVISER OF THE YEAR
MERGERMARKET AUSTRALIA AWARDS 2018

ENERGY & RESOURCES DEAL OF THE YEAR
LATTICE ENERGY DUAL TRACK IPO/
TRADE SALE
– AUSTRALASIAN LAW AWARDS 2018

DEAL OF THE YEAR
KEY SAFETY SYSTEMS ACQUISITION OF TAKATA CORPORATION
– CHINA BUSINESS LAW JOURNAL

DEAL OF THE YEAR
MIDEA'S ACQUISITION OF KULA (CHINA)
– ASIAN MENA COUNSEL 2018

DEAL OF THE YEAR
CALDERA PACIFIC ACQUISITION OF DRAGON CAPITAL STAKE
– ASIA BUSINESS LAW JOURNAL 2018

DEAL OF THE YEAR
CHEVRON'S SALE OF GEOTHERMAL ASSETS
– ASIA BUSINESS LAW JOURNAL 2018

DEAL OF THE YEAR
MITSUI ACQUIRES MOZAMBIQUE COAL ASSETS
– ASIA BUSINESS LAW JOURNAL 2018

DEAL OF THE YEAR
VMG MEDIA SELLS VNPT EPAY STAKE
- ASIA BUSINESS LAW JOURNAL 2018

DEAL OF THE YEAR
YANZHOU'S ACQUISITION FROM RIO TINTO
- ASIA BUSINESS LAW JOURNAL 2018

ENERGY MINING & UTILITIES M&A LEGAL ADVISER OF THE YEAR
MERGERMARKET AUSTRALIA AWARDS, 2018

ENERGY LAW FIRM OF THE YEAR
BEST LAWYERS 2018, AUSTRALIA

COMMERCIAL TEAM OF THE YEAR
AUSTRALIAN LAWYERS WEEKLY AWARDS 2018

*References to Mergermarket data regarding 'public M&A deals' in particular jurisdictions is, unless otherwise stated, limited to public deals announced during 2018 (being transactions that require approval either from the bidder, target or vendor shareholders in a public forum) in which the relevant jurisdiction represents the dominant target geography and deal geography.

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