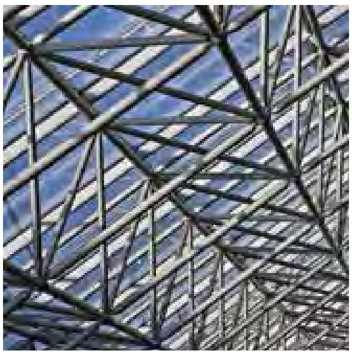
HERBERT SMITH FREEHILLS

ASIA PACIFIC M&A REVIEW 2015



CONTENTS

ASIA PACIFIC M&A REVIEW 2015

WELCOME

Welcome to the Herbert Smith Freehills Asia Pacific M&A Review for 2015.

In this edition we review the broad rebound in M&A deal activity observed across the pan Asia Pacific region and we also map out the expected market trends for 2015 and beyond.

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

Austin Sweeney & Andrew Pike

Herbert Smith Freehills

2014 was another strong year for Herbert Smith Freehills, with the firm acting on more announced M&A deals in the Asia Pacific region (ex Japan) than any other firm (Thomson M&A league tables). The firm also acted on more announced deals in Australia than any other firm.

Austin Sweeney
Head of Corporate, Asia
T +852 2101 4001
M +852 6051 8620
austin.sweeney@hsf.com

Andrew Pike
Head of Corporate, Australia
T +61 2 9225 5085
M +61 416 225 085
andrew.pike@hsf.com

PAN-ASIAN M&A IN 2014

Key themes across the 2014 Asia Pacific M&A market include:

1. Building on the recovery observed in the second half of 2014, we saw deal volumes generally pick up across the Asia Pacific region. The rebound was strongest in Australia, China, Hong Kong and Singapore
2. Incremental regulatory reform as well as bilateral agreements between Asia Pacific nations completed during 2014 should create conditions supportive of M&A activity going forward
3. The TMT sector performed strongly in 2014, with deal values up 46.9%. TMT transactions represented 13.1% of all M&A transactions in the Asia Pacific region in 2014

LOOKING AHEAD

Other predictions for the broader Asia Pacific M&A market for 2015 include:

1. Investors to be presented with numerous and varied investment opportunities across the Asia Pacific region, including potential investment opportunities in SOEs in China and South Korea and energy projects in Australia.
2. Private Equity is anticipated to be active across the Asia Pacific regions, with the players to include domestic and global private equity firms.
3. It is expected that deal volume in 2015 will be driven by the financial services, energy, property and TMT sectors across the Asia Pacific region.

AUSTRALIA
M&A DEAL VOLUME CONTINUES TO SURGE

2014 IN BRIEF

- After a strong finish to 2013, deal volumes continued to surge in 2014, with a 27% increase in the number of deals in 2014 compared to 2013
- The continued presence of competitive bid scenarios in 2014 is a healthy sign for the Australian M&A market and a positive marker for M&A activity going forward
- The proposal for a Chinese – Australia Free Trade Agreement and the simplification of China's outbound investment regime at the end of 2014 sends an encouraging message to Chinese private investors and will continue to promote Chinese investment in Australia

Tony Damian
Partner
T +61 2 9225 5784
M +61 405 223 705
tony.damian@hsf.com

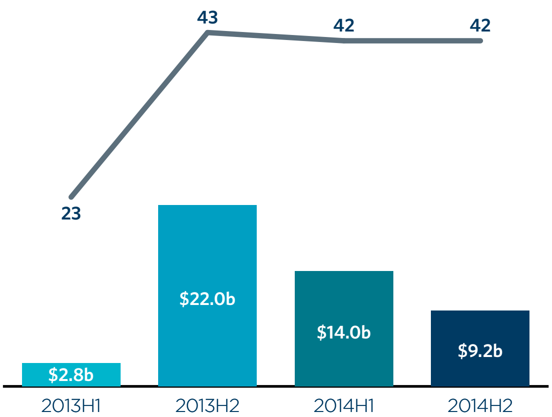
Rodd Levy
Partner
T +61 3 9288 1518
M +61 417 053 177
rodd.levy@hsf.com

THE STATE OF THE MARKET

After a strong finish to 2013, high deal volumes were sustained in 2014.

Deal volumes in the first half of 2013 (January – June) increased by 83% compared to the first half of 2013, with deal volumes for the second half of 2014 (July – December) consistent with the increased deal volumes seen in the second half of 2013. Overall, there was a 27% increase in the number of deals in 2014 compared to 2013.

Potential causes of this increase in deal flow in 2014 include the return of confidence in the Australian market, a desire for companies to implement plans that were put on hold in less certain times and availability of capital to fund investment.



Value of deals ($A billion) and total number of deals

Source: mergermarket

CONTESTED BIDS ARE BACK

The increase in competitive bid scenarios that was seen in 2013 continued in 2014. We saw competing bids for Envestra Limited by APA Group and Cheung Kong Group as well as for Ambassador Oil & Gas Limited by Drillsearch Energy Limited and Magnum Hunter Resources Corporation.

The continued presence of competitive bid scenarios in 2014 is a healthy sign for the Australian M&A market and a positive marker for M&A activity going forward. It also suggests that Australian deal protection mechanisms, when conducted within the current guidelines, will not necessarily act as a deterrent to alternative bidders.

INCREASED M&A ACTIVITY BY CHINESE ACQUIRERS

At the end of 2014, negotiations concluded for the China - Australia Free Trade Agreement (**ChAFTA**). The ChAFTA will relax the foreign investment review requirements for Chinese private investors, placing them on par with investors from Australia's other free trade partners.

The proposed changes to investment thresholds under the ChAFTA send a practical message of encouragement to Chinese private enterprises and, as a result, we expect to see an increase in inbound M&A in Australia by Chinese investors in 2015.

In addition, the simplification of China's outbound investment regime and the streamlining of the MOFCOM merger review process in 2014 will continue to encourage Chinese outbound investment in Australia.

PREDICTIONS FOR 2015

Our key predictions for M&A in Australia in 2015 are as follows:

1	**Increased M&A activity in 2015**	We expect a continued focus on strategic (but disciplined) growth through M&A. Companies are under pressure to deliver a growth vision. This sentiment applies to both local and overseas corporates. We expect that Australia will remain an attractive destination for inbound M&A in 2015.
2	**Sectors to watch**	Our three picks for 2015 are property, resources and financial services. Property had a significant role to play in 2014 – deals included Commonwealth Bank's exit from its A$20 billion property platform as well as the Westfield transaction. Resources should also be active but we see this as more consolidation plays than transformational deals. Finally, the financial services sector should also provide deal volume, perhaps fuelled by the refinement of the regulatory settings around capital standards.
3	**Disclosure of bidder approaches**	While there have been some exceptions, recent standard market practice has been for target companies not to disclose to the market that they have received an approach from a potential bidder, so long as the approach remains confidential. This change in approach, encouraged by regulatory change, has meant that targets and serious bidders are more willing to hold sensible discussions without the pressure to immediately disclose what they are doing.
4	**Competition law reform**	The key M&A reform recommendation from the recent competition law review is to allow the ACCC to have regard to any public benefit that may arise if a merger which may reduce competition in a market proceeds. At present, this is a consideration only open to merger proposals that come before the Australian Competition Tribunal. We consider that a change in the law in this respect will be a good thing and will encourage more M&A activity.
5	**Creative deal structures**	In 2014 we saw innovative deal structures continue to emerge. Deals such as the acquisition of Atlantic Gold by Spur Ventures (under which the transaction would, had the scheme been voted down, have immediately flipped into a divestiture of all the operating entities of the target – this would have required just an ordinary resolution compared to the 75% vote required by the scheme) demonstrated that even now, there remain creative new ways of executing deals. As the pressure mounts to make deals come off, we expect more of this in 2015.

2014 – KEY DEALS

- **Roc Oil Company Limited** – the A$800 million proposed merger of equals between Australia-listed oil and gas companies, Roc Oil Company Limited and Horizon Oil Limited, and subsequent A$474 takeover of Roc Oil by China-based Fosun International Limited
- **David Jones Limited** – the A$2.15 billion acquisition of David Jones Limited, the Australia-listed upmarket retailer, by Woolworths Holdings Limited, a South Africa-based retail group listed on the Johannesburg Stock Exchange
- **Australian Infrastructure Fund (AIX)** – the sale of all of AIX's assets to Future Fund for A$2 billion and the return of those proceeds to AIX shareholders

Herbert Smith Freehills is acting for, or acted for, Roc Oil Company Limited, David Jones Limited and Australian Infrastructure Fund on the deals listed above.

CHINA
MARKET OPENS AS ECONOMY SLOWS

2014 HIGHLIGHTS

- China M&A deals soared, both in number and value, during 2014
- China demonstrated its continuing commitment to welcoming foreign investment and to reforming its foreign investment regime
- Anti-corruption efforts began reshaping both public and private sectors

Tom Chau
Partner
T +86 10 6535 5136
M +86 135 0109 7809
tom.chau@hsf.com

Nanda Lau
Partner
T +86 21 2322 2117
M +86 136 8191 7366
nanda.lau@hsf.com

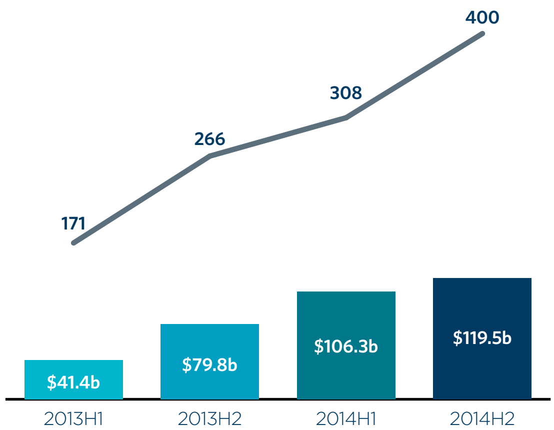
THE STATE OF THE MARKET

China's M&A market performed strongly in 2014, with the financial sector attracting particular interest.

There were a number of large deals in 2014, including CITIC Pacific Limited's US$36.5 billion acquisition of financial conglomerate CITIC Limited from its parent company, CITIC Group, which occured in the first half of 2014.

In the second half of 2014, the world's largest train makers, CSR Corp and China CNR, completed a US$13.9 billion merger with a view to improving their international competitiveness.

The challenge for Chinese and global economies will be to keep the momentum going for 2015 and beyond.



Value of deals ($US billion) and total number of deals

Source: mergermarket

OUTBOUND APPROACHES INBOUND

China's outbound investment in 2014, with deals like the US$2 billion purchase of New York's iconic Waldorf Astoria by a Chinese insurance company, came close to surpassing foreign investment in China in 2014.

ANTI-CORRUPTION

President Xi Jinping's anti-corruption drive accelerated throughout 2014. The government also pursued anti-corruption efforts on the commercial front, with the news of GlaxoSmithKline's corruption scandals making numerous headlines. For M&A deals, due diligence on a target's anti-corruption compliance became more important than ever, as did thorough, post-completion integration of the target with the group.

MERGER CONTROL

China streamlined M&A activity in 2014 with the introduction of a simple merger-control procedure for M&A deals that qualify as "simple cases". The procedure has proved popular with close to 70 simple-case clearances in 2014.

PREDICTIONS FOR 2015

Our key predictions for M&A in China in 2015 are as follows:

1 **"Rule of law" consolidated**

President Xi Jinping has likened the socialist rule of law and reform to the two wings of a bird. For M&A deals, this should mean that Chinese regulations become more predictable and that greater opportunities will arise. This will benefit M&A activity, especially in China's slowing economic conditions.

2 **More enforcement**

Active competition law enforcement will continue throughout 2015. We also expect that China will continue with its anti-corruption drive, and that the enforcement of environmental compliance will have a greater priority with the coming into effect of the new Environmental Protection Law. More information will be shared among governmental authorities.

3 **Divestiture decisions**

With a challenging global economy, and a slower Chinese economy, investors will consider in 2015 their exposure to China. Most will continue with their current strategies, perhaps with the inducement of further liberalizations for foreign investment. A number may well put their China assets up for sale.

4 **Foreign investment restrictions relaxed**

China will continue to relax foreign investment restrictions, and should issue the long-awaited consolidation of laws governing foreign-invested enterprises. The Shanghai Free Trade Zone and the three new Free Trade Zones will also pioneer developments that may then be rolled out in other areas of China. We are watching for further market-access liberalization, simplification of laws governing foreign-invested enterprises, financial innovation and foreign exchange liberalization.

5 **Continued SOE reform**

State-owned enterprise (**SOE**) reform, which includes allowing the injection of private capital, will be a continuing objective throughout 2015. Along with the relaxation of foreign investment restrictions, SOE reform will provide foreign investors with acquisition opportunities.

2014 – KEY DEALS

- **CITIC Limited** – CITIC limited Pacific acquired the main assets of its state-owned parent, CITIC Group, valued at US$36.5 billion
- **China CNR Corp** – CSR Corp acquired 100% of China CNR Corp, valued at US$13.9 billion
- **Shanghai Greenland** – Shanghai Jinfeng investment acquired Shanghai Greenland Group for US$9.5 billion
- **Sinopec Yizheng** – restructuring by way of disposal of assets valued at RMB 6,491 million and injection of Sinopec Oilfield Service Corporation valued at RMB 24,075 million

Herbert Smith Freehills acted for Sinopec Yizheng in the deal listed above.

INDUSTRY FOCUS: MINING
THE PRODUCTIVITY AGE

2014 HIGHLIGHTS

- The second half of 2013 and first half of 2014 saw a strong increase in Asia Pacific M&A activity in the mining sector – ending a period of failed deals for the sector
- Divestment of non-core assets was a common theme across the major players and the commencement of some consolidation was evident among some mid-tiers
- Falling commodity prices stirred some opportunistic interest from private equity firms and new industry funds

Jay Leary
Partner
T +61 8 9211 7877 (Perth)
T +61 7 3258 6619 (Brisbane)
M +61 408 101 028
jay.leary@hsf.com

Rebecca Major
Partner
T +33 1 53 57 78 31
rebecca.major@hsf.com

THE STATE OF THE MARKET

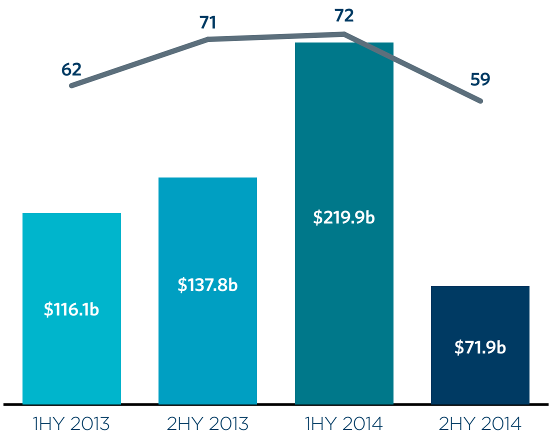
A combination of slowing demand (in particular from China) and over supply of production (especially iron ore) saw commodity prices continue to fall and possibly bottom out (with iron ore and coal the most affected). Falling commodity prices have put substantial pressure on miners to cut costs.

Market participants focused on finding ways to generate cash flow and reduce or defer costs. Those producers with more marginal operations were forced to review their operations, reduce production or suspend operating.

The drive to improve margins through lower unit costs of production has seen a significant productivity drive – a drive which some commentators say had to come. The focus on productivity and innovation saw some collaboration between competitors – for example, miners jointly developing or operating adjoining fields to lower per unit production costs.

2014 also saw what some see as the commencement of insolvency and associated transactions for smaller miners unable to maintain production at the lower commodity prices.

However, it was not all doom and gloom for the mining industry with the impact of falling commodity prices being partially offset by lower oil prices (reducing production costs), for Australian miners a depreciating Australian dollar (making Australian exports more competitive), and an overall trend of strong demand for bulk commodities (notwithstanding the fall in Chinese demand).



Value of deals ($A billion) and total number of deals

Source: mergermarket

PREDICTIONS FOR 2015

Our key predictions for the mining industry in 2015 are as follows:

1	**Continued divestment of non-core mining assets**	The drive to reduce costs in 2014 is likely to continue and we believe we will see more divestments and spin-offs in order to control debt, increase cash flows and allow companies to focus on higher margin projects or commodities.
2	**Divestment of non-core mining infrastructure**	We believe there will be some divestment of mining related infrastructure and the outsourcing of some operational activities. In Australia, there is also a possibility that government will privatize a number of infrastructure assets (in particular ports), raising potential for an influx of investment and growth in infrastructure.
3	**Consolidation**	Junior miners struggled to raise equity in 2014, partly due to the higher risk of single-project or single-commodity companies. As a result, M&A activity has become, and will continue to be, an important form of capital raising for juniors. We predict that this trend will continue and there will be more consolidation of junior miners throughout 2015.
4	**Increased innovation**	The mining industry will be looking for innovative ways to increase production and decrease costs. We anticipate there will be umbrella joint ventures arising in different areas to take advantage of synergies between companies (an example of this is Peabody Energy and Glencore's recently announced joint venture).
5	**Increasing number of insolvencies**	It will no longer be economic for some junior miners to meet their take or pay obligations under transportation services contracts and this will put pressure on their cash reserves. Ultimately, we believe this will result in an increased number of insolvencies.

2014 – KEY DEALS

- **BHP Billiton/South 32** – BHP Billiton announced a plan to demerge its non-core assets into an independent global metals and mining company called South32
- **Mitsui Acquisition from Vale** – Japan's Mitsui & Co announced an almost US$1 billion investment in Brazilian Mining Giant Vale SA's Mozambique coal projects
- **Glencore Sell Down** – Glencore Xstrata agreed to sell its Las Bambas copper mine in Peru to a consortium led by MMG Ltd (a unit of state-controlled China Minmetals Corp.) for US$5.85 billion

Herbert Smith Freehills is acting for, or acted for, BHP Billiton and Mitsui & Co on the deals listed above.

HONG KONG
BOUNCE BACK IN ACTIVITY

2014 HIGHLIGHTS

- M&A activity soared to its highest level since 2008
- Implementation of reforms of PRC SOEs prompted restructurings such as CITIC Pacific Limited's US$36.5 billion acquisition of CITIC Limited from CITIC Group
- The IPO market saw a sustained strong performance throughout the year, with funds raised increasing by 35% over 2013

Tommy Tong
Partner
T +852 2101 4151
M +852 9193 9690
tommy.tong@hsf.com

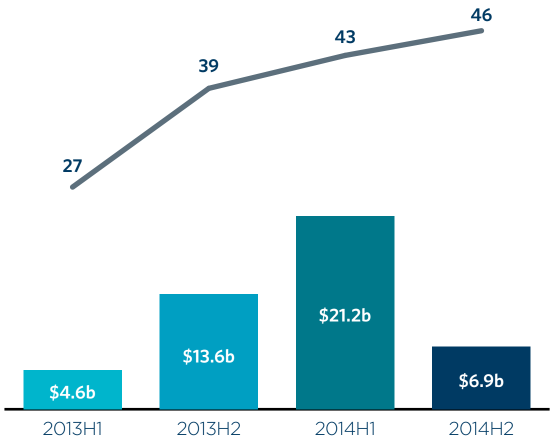
Jason Sung
Partner
T +852 2101 4607
M +852 9106 1217
jason.sung@hsf.com

THE STATE OF THE MARKET

Reported M&A activity in Hong Kong increased significantly in 2014, with total deal values rising by 66% compared to 2013.

Deal volume also increased steadily, with the number of deals in 2014 being 35% higher than 2013.

Several significant transactions were announced during the first half of the year, including Overseas-Chinese Banking Group Corporation's takeover of Wing Hang Bank Limited and Temasek Holdings' acquisition of a 24.95% stake in A.S. Watson, contributing to the spike in deal value for such period.



Value of deals ($US billion) and total number of deals

Source: mergermarket

CONTINUING IMPLEMENTATION OF SOE REFORM MEASURES

In 2014, the PRC government announced further measures to reform SOEs, which include a focus on mixed ownership structures creating potential opportunities for Hong Kong acquirers. The acquisition by Hong Kong listed CITIC Pacific Limited of CITIC Group's business shows one approach to implementing the reform measures. China Petroleum & Chemical Corporation (Sinopec), also Hong Kong listed, completed a capital injection for a 29.9% stake in its PRC subsidiary, with several Hong Kong investors participating. We anticipate that the reforms will lead to further restructurings which will bolster acquisition activity in Hong Kong.

PREDICTIONS FOR 2015

Our key predictions for M&A in Hong Kong in 2015 are as follows:

1. **Increased Hong Kong transactions benefiting from changes to the PRC outbound investment regime** — The ongoing policy drive to encourage PRC outbound investment will likely create increased interest in Hong Kong targets as PRC companies look to expand their businesses. Further, we expect PRC businesses to continue to use Hong Kong as a staging post through which to conduct their overseas expansion.

2. **Private equity driven transactions** — Private equity funds will take advantage of the buoyant capital markets to exit older investments. The much improved market sentiment will also bolster confidence for managers to put to use the vast amount of capital waiting to be deployed.

3. **Overseas expansions by Hong Kong companies** — We expect Hong Kong companies will continue to undertake overseas investments as they seek to expand and diversify their businesses strategically, as well as pursue opportunities with higher growth potential. An example is overseas real estate acquisitions and project development.

4. **Sectors of interest** — In 2014 we saw a number of financial services sector transactions and we expect to see more in 2015. TMT will remain a sector of interest and we predict a continuing increase in focus in the clean energy sector.

2014 – KEY DEALS

- **CITIC Limited** - CITIC Pacific Limited acquired 100% of the shares of CITIC Limited for US$36.5 billion as part of a restructuring of the business of CITIC Group Corporation
- **A.S. Watson** – Temasek Holdings (Private) Limited subscribed for a 24.95% stake in A.S. Watson Holdings Limited, the health and beauty retailer for US$5.6 billion following a strategic review by Hutchison Whampoa Limited on options for maximising the value of the A.S. Watson retail businesses
- **Wing Hang Bank** – Singapore based Oversea-Chinese Banking Corporation Limited acquired Hong Kong family controlled Wing Hang Bank Limited for US$4.95 billion by way of a takeover offer
- **CSL** – HKT completed its acquisition of CSL for US$2.42 billion from Telstra Corporation, more than ten years after it was originally sold by PCCW to Telstra

INDIA
NEW GOVERNMENT REVIVES INVESTOR CONFIDENCE

2014 IN BRIEF

- The most significant event in 2014 was the conclusion of the general election and the arrival of Narendra Modi's government
- Whilst major structural reforms have yet to be implemented, the government's focus on growth, improvement of the business environment and efficient and strong governance has brought with it renewed investor confidence, and this was reflected in a resurgence of M&A activity in 2014
- M&A increased significantly from 2013, with overall deal values reaching US$48.4bn (1177 deals), the highest since 2010, compared to deal values of US$38 billion (947 deals) in 2013 (representing a 27% increase)
- There was also a sharp increase in private equity transactions this year with private equity deal values standing at USD$12bn, up 23 per cent from USD$10bn in 2013

Alan Montgomery
Partner
T +44 20 7466 2618
M +44 780 9200437
alan.montgomery@hsf.com

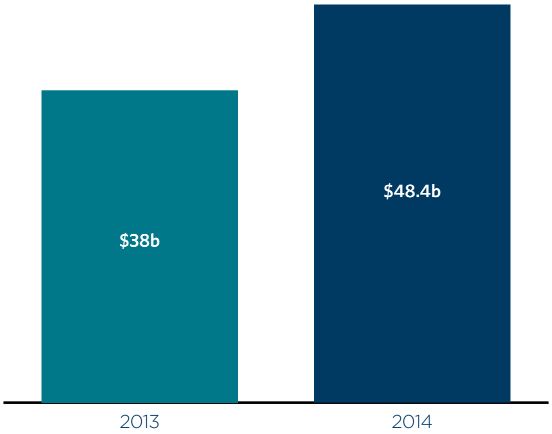
THE STATE OF THE MARKET

Similar to 2013, it was very much an inbound and domestic M&A story this year (reflecting investors' attraction to the domestic market) with inbound and domestic deal values representing approximately 78% of total deal values and outbound deal values at just US $6 billion.

In terms of sectors, IT/ITES led the way, representing approximately 43% of M&A transactions in 2014. Like 2013, it was also another very strong year for M&A in the pharma sector, with Sun Pharma's acquisition of Ranbaxy for US$3.2 billion being the largest transaction of the year. The pharma sector also saw a number of other significant domestic and outbound plays, including Strides Arcolab's merger with Shasun and Cipla's various acquisitions and strategic joint ventures overseas.

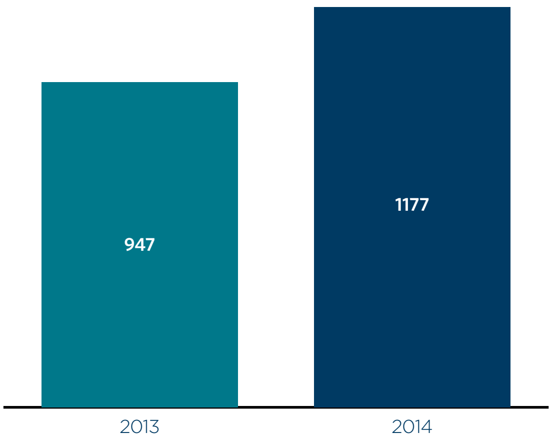
Telecoms and financial services were also very active sectors this year. We saw the increase in Vodafone's stake in Vodafone India for US$1.4 billion and Kotak Mahindra's Bank's US$2.5 billion merger with ING Vysya.

E-commerce was particularly attractive to private equity, with Flipkart and Snapdeal raising US$1.7 billion and US$627 million respectively from private equity funds.



Value of deals ($US billion)

Source: mergermarket



Number of M&A deals

Source: mergermarket

LEGAL AND REGULATORY DEVELOPMENTS

In terms of legal and regulatory matters, there were a number of interesting developments

Mr Modi's government increased permitted foreign direct investment in insurance from 26% to 49%, which we anticipate will lead to more M&A activity in this sector in 2015. In addition, the government has increased foreign direct investment limits in defence and railways to 49% and 100%, respectively.

2014 saw the Competition Commission of India (**CCI**) flex its muscle on merger control issues. The CCI cleared Sun Pharma's acquisition of Ranbaxy, on the condition that 7 overlapping pharmaceutical products of the parties are disposed of. Whilst this is a relatively classic competition remedy, it is new in India and is likely to mean that parties to Indian M&A look more closely at their specific obligations to satisfy competition conditions in deal documents (e.g. "hell of high water" clauses, obligations to dispose of assets/products and the like).

PREDICTIONS FOR 2015

Our key predictions for M&A in India in 2015 are as follows:

1	**Investor sentiment to continue to improve**	As a result of a stable government, further reform and falling commodity prices, we are expecting investor sentiment to continue to improve and for a further significant increase in M&A activity across all sectors. Of those, we think that IT/ITES, pharma, logistics and e-commerce will be the most active sectors, with the government's relaxation of foreign direct investment thresholds in insurance also leading to more deals in insurance and financial services more broadly.
2	**Developments in M&A financing**	It has been reported that the Finance Ministry is considering a proposal to allow domestic banks to finance domestic M&A, which is currently prohibited in relation to share acquisitions. If implemented, this proposal would represent a significant change in the landscape for domestic M&A financing in India.
3	**Greater efficiencies in public M&A**	The Securities and Exchange Board of India has approved, in principal, new rules to facilitate public company delisting following a successful takeover offer. Under existing law and regulation, this process is very onerous.
4	**Potential tax reforms**	Whilst the Indian tax regime has been a cause for concern for investors in recent years, it has been suggested that this may change. Firstly, there is speculation that the new government may end the retrospective application of tax on M&A transactions involving the sale of an indirect interest in an Indian company (following the Vodafone case) and clarify how it would be applied to future cases. Secondly, guidance may be introduced to provide clarity as to the types of investment structure that would not fall foul of the Indian General Anti-Avoidance Rule (**GAAR**), which is due to take effect from 1 April 2015 and which gives the Indian tax authorities very broad powers to re-characterise transactions in order to negate tax advantages. There is speculation that the introduction of GAAR may be delayed by at least a year.

2014 – KEY DEALS

- **Sun Pharmaceutical's acquisition of Ranbaxy for US$3.2 billion** – in April 2014, Sun Pharmaceutical Industries Ltd, the India-listed pharmaceutical company, agreed to acquire Ranbaxy Laboratories Ltd, its listed domestic counterpart for US$3.2 billion
- **Cognizant Technology Solutions' acquisition of TriZetto Corporation for US$2.7 billion** – Cognizant Technology Solutions, the US-based multinational corporation, has agreed to aquire TriZetto Corporation for US$2.7 billion
- **Kotak Mahindra Bank's US$2.5 billion merger with ING Vysya** – at the end of 2014, Kotak Mahindra Bank Ltd, the India-listed full service commercial bank, agreed to acquire ING Vysya Bank Ltd, a domestic listed full service private bank for US$2.5 billion

INDUSTRY FOCUS: PRIVATE EQUITY

FROM EXITS TO BUY SIDE

Damien Hazard
Partner
T +61 2 9225 5564
M +61 404 861 770
damien.hazard@hsf.com

Hayley Neilson
Partner
T +61 2 9322 4376
M +61 408 178 023
hayley.neilson@hsf.com

2014 IN BRIEF

- 2014 proved a strong year for exits throughout the region, buoyed by strength in public equity markets
- As a result, private equity funds cleared a range of long held positions and returned substantial capital to their investors
- The fundraising market has strengthened, supported by strong flows of returned capital
- 2014 also saw steady growth in buyout volumes (particularly in China), despite strong public markets creating challenges for private equity funds seeking to deploy capital for acquisitions

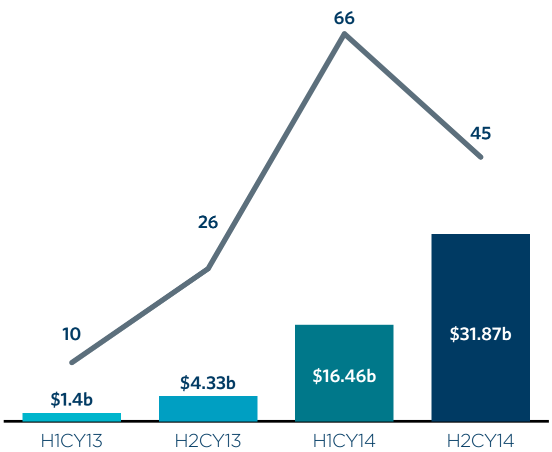
THE STATE OF THE MARKET

A year of exits

After several challenging years the private equity industry in 2014 capitalised on a dramatically different market in the Asia Pacific region.

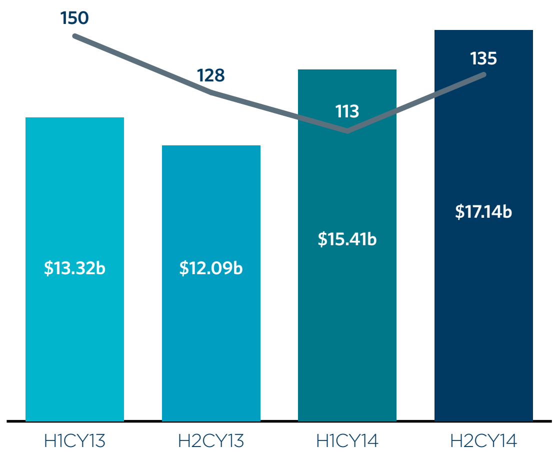
For private equity funds which had endured a significant period of challenging conditions for exits of substantial businesses, the strength in public equity markets has been a long awaited boon. In many markets in the region, such favourable conditions for IPO exits have not been seen since prior to the global financial crisis.

Longstanding softness in equity markets had left private equity firms across the region holding a substantial portfolio of assets. The opening of the IPO window has seen a significant portion of this backlog cleared during 2014, with a further significant slate of IPO candidates now positioning for possible exit during 2015, market conditions allowing. This is reflected in a dramatic increase in IPO of private equity backed businesses, with funds raised at IPO rising dramatically from less than A$5 billion in 2013 to over A$45 billion in 2014. Technology and health related assets have been particularly in demand, with the stand-out float of the year being the thumping A$24 billion. NASDAQ float of Chinese internet outfit Alibaba, and other sizeable private equity backed floats including the $2.2 billion raising by TPG backed Healthscope on the ASX.



PE IPOs - Offering size ($A billion) and total number of deals

Source: mergermarket



Value of deals ($A billion) and total number of deals

Source: mergermarket

Fundraising

The strong exit pipeline executed on during 2014 has seen private equity funds across the region delivering substantial cash returns to their investor base. The resulting liquidity for investors has flowed into the fundraising market, which has seen successful PE firms able to raise significant capital throughout the year for future investment in the region, including a very healthy A$9.6b raised by Asia-focused venture capital funds (2.5 times higher than in 2013).

Acquisitions

While a driver of exits, the strength in public equity markets throughout 2014 created challenges for PE acquisitions in many sub-markets, with many potential targets either going directly to IPO or running dual-track processes which resulted in IPO exits, as PE struggled to match the lofty valuations available in the listed markets.

Despite these challenges, however, buyout activity across the region continued to grow in aggregate during 2014, driven in large part by the continued growth of a previously nascent private equity industry in China and other developing markets.

Debt finance

Loan markets continue to be very supportive of PE in the Asia Pacific. Key banks in the region remain supportive of deals in the right markets for the right sponsors. True limited recourse financings continue to be challenging as a result of local law regimes in many Asian countries.

In Australia, financiers' appetite for LBO deals remain strong and several of the large scale bid processes have been well supported. Many of these transactions, however, did not proceed to completion so most of the loan volume has been in small to mid-market deals, IPO facilities, refinancings and recapitalisations.

Refinancings and recapitalisations, particularly by established names, have received healthy support from banks. We have seen in many instances investment banks participating in such facilities where their decision to participate has been driven by their interest in obtaining an IPO mandate where it appears likely that an IPO exit is on the horizon.

We have seen pricing fall over the course of the year and PE firms have continued to be able to obtain borrower friendly general financing terms. The existence of viable alternative financing in the US TLB market continues to apply competitive pressure on domestic bank lending. Transactions including TPG's acquisition of DTZ and Blackstone's acquisition of Orica Chemicals are evidence that there is a real alternative source of financing available to the Australian bank debt market.

The mezzanine debt market has not been particularly active although some true holdco debt is being seen. Intercreditor terms will likely remain a hot topic, as the market continues to move towards a more standardised position.

WHAT TO EXPECT IN 2015

Our key predictions for private equity M&A in 2015 are as follows:

1 **Back to balance**

Surging public markets were a boon for sellers but a hindrance for buyers during 2014. Increasing volatility in energy and key commodity prices, amongst other factors, seem likely to drive a less bullish year for listed equities in 2015. This should see private equity more able to compete against IPO tracks as funds seek acquisitions in 2015 after a period of softness on buy side.

2 **Demographics are key**

Aging of populations across the region will continue to be a key factor as private equity firms choose where to deploy capital, with businesses in the health, aged services and related industries continuing to attract strong valuations.

INDONESIA
POLITICAL TRANSITION AND CONTINUITY

2014 HIGHLIGHTS

- 2014 marks the year where for the first time in Indonesia a directly elected president handed over power to another directly elected president. It confirms that Indonesia is a healthy, functioning democracy
- M&A activity slowed down leading up to the elections, but activity levels recovered after the elections and have continued strongly into 2015
- Greatest focus in deals remains on sectors related to Indonesia's large consumer base, particularly the fast growing urban middle class
- A new investment 'negative list' was issued in April 2014 which marginally relaxed foreign ownership restrictions in certain sectors but significantly tightened others. Overall, the changes made by the new negative list were incremental in most sectors

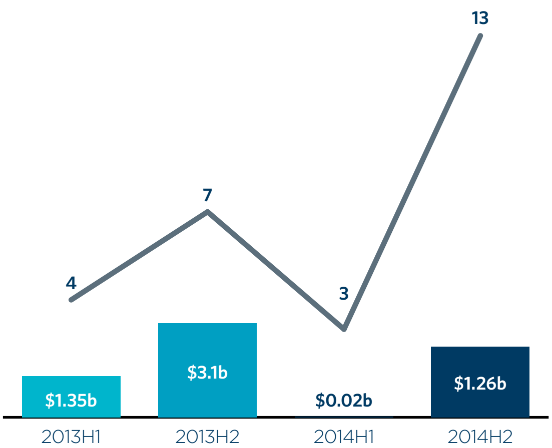
David Dawborn
Partner
T + 62 21 5790 0571
M + 62 811 1890 367
david.dawborn@hsf.com

Vik Tang
Counsel
T + 62 21 5790 2829
M +62 812 11 71912
vik.tang@hsf.com

THE STATE OF THE MARKET

The first half of 2014 witnessed a slowdown in M&A activity as Indonesia headed into the lengthy election period.

M&A activity picked up in the last quarter of 2014 when the tight presidential election results were finally settled, following a protracted court process.



Value of deals ($US billion) and total number of deals

Source: mergermarket

REVISED NEGATIVE LIST

Whilst many of the changes made in the revised negative investment list were incremental, there are a number of significant changes for example:

- The level of permitted foreign equity ownership in the distribution sector was reduced from 100% foreign ownership to a maximum of 33%. This impacted the consumer sector where foreign multinational corporations seek to access Indonesia's growing consumer market.
- In the telecommunications sector, new foreign investments in data communication systems has been reduced from 95% to 49%. Also, following earlier policy tightening, the e-commerce sector has now been formally closed to foreign investment. Foreign interest in the promising Indonesian internet sector remains high, for example SoftBank's (alongside Sequoia Capital's) US$100 million investment in Tokopedia (an internet portal company).
- Another significant change is that onshore oil and gas drilling services are now closed for new foreign investment, whereas previously these services were open for up to 95% foreign ownership. New offshore oil and gas drilling services is also reduced to 75%, previously 95%.

UNCERTAINTY IN BANK AND INSURANCE FOREIGN OWNERSHIP LEVELS

Protracted policy uncertainty continued to hamper M&A activity in the banking and insurance sectors. Whilst the enactment of the long delayed banking bill has been postponed, certain policy makers in the Indonesian parliament continue to advocate the limiting of foreign ownership in banks to under 50%. This uncertainty has affected deal execution in bank M&A transactions, although foreign interest remains high as exemplified by Dubai Islamic Bank's minority investment in Bank Panin Shariah (the first foreign bank investment in a listed Shariah bank in Indonesia).

PREDICTIONS FOR 2015

Our key predictions for M&A in 2015 are as follows:

1. **Continuing M&A activity in non-resource sectors**

We expect to see increasing M&A activity by foreign investors in key non-resource sectors like the consumer sector, commercial real estate and financial services, despite policy uncertainty and regulatory challenges. More highly structured transaction structures are expected, to overcome regulatory complexities.

2. **Cutting red-tape**

Whilst progress has been incremental in recent years, there are sustained achievements in reducing excessive licensing and regulatory procedures for foreign direct investment in Indonesia. This can be seen in the steadily shortening time required to set up a foreign invested company in Indonesia. We expect this process to continue under the leadership of the new President who is focused on this area.

3. **Continuing uncertainty in financial services sector**

We expect to see continuing uncertainty in the foreign ownership levels in the financial services sector, particularly for banks and insurance companies. Another noticeable trend is the increasing sophistication in the regulatory framework for other non-bank sectors like insurance, finance companies and microfinance, as the financial services regulator takes over these regulatory functions. However, despite the regulatory challenges, we continue to expect to see strong foreign interest in this sector.

4. **Continued uncertainty in natural resources**

Reflecting the general depressed state of international markets for both minerals and oil & gas, we expect to see limited activity in relation to these sectors, although strategic developments for investors are possible. Indonesia will need to change certain ill-conceived and unpopular policies in the mineral sector (e.g. export ban, onshore smelting obligations, and royalty increases) before it can become a competitive destination for mining investment again.

2014 – KEY DEALS

- **Softbank** – Softbank's investment in Tokopedia (alongside Sequoia Capital), the largest venture capital style investment in Indonesian internet sector to date
- **Dubai Islamic Bank (DIB)** – DIB's 24.9% investment in Bank Panin Shariah, the first foreign bank investment in a listed Shariah bank in Indonesia
- **Government Investment Corporation of Singapore (GIC)** – GIC on its US$500 million memorandum of understanding with Rajawali to invest in real estate projects in Indonesia
- **Telstra** – Telstra on its strategic joint venture with Telkom to offer network application services

Herbert Smith Freehills is acting for, or acted for, Softbank, DIB, GIC and Telstra on the deals listed above.

JAPAN

HOME CONCERNS DRIVE INTERNATIONAL EMPHASIS

2014 HIGHLIGHTS

- Overall, 2014 was a slow year for Japanese-based M&A, with activity down both in terms of value and volume
- However, outbound M&A remained strong, with Southeast Asia a focal point
- With sustained domestic economic concerns, marked by Japan's return to recession, Japan Inc increasingly looks overseas for growth opportunities

Graeme Preston
Partner
T +81 3 5412 5485
M +44 7920 533 743
graeme.preston@hsf.com

Andrew Blacoe
Partner
T +81 3 5412 5455
M +44 7769 695 929
andrew.blacoe@hsf.com

Lex Papasolomontos
Senior Associate
T +81 3 5412 5402
M +44 789 200 494
alexis.papasolomontos
@hsf.com

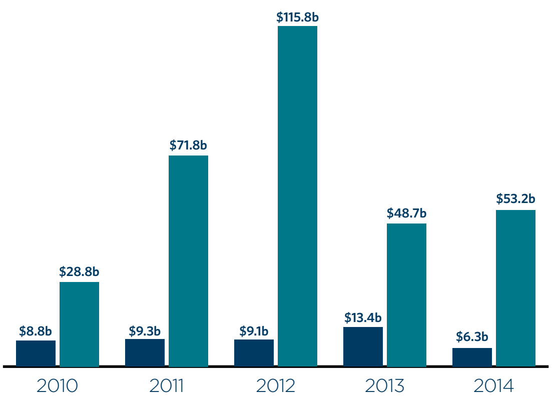
THE STATE OF THE MARKET

In contrast to the Asia Pacific region as a whole, Japan saw M&A activity at historic lows in 2014. As the country slipped back into recession it experienced its third consecutive annual decrease in the total number of transactions. The total value of deals was also down from 2013 and a lack of "mega deals" meant that the average deal size dipped to the lowest in 12 years.

However, the picture is more positive for outbound M&A as Japanese corporates continue to make waves in the international market. Outbound deal value remained around the same level as 2013, although deal volume was slightly down. The underlying cause for this outbound push remains rooted in Japan's flat domestic economy and aging population.

The US has continued to be a favourite target for Japanese overseas investment. Emerging markets, Southeast Asia in particular, also attracted a lot of attention. Inbound investment was not as active as predicted, at least by value, though the number of deals increased by around 20%, perhaps signalling that foreign investors are starting to show more interest in Japanese companies.

With renewed efforts from the recently re-elected Japanese government to grow the country's economy through quantitative easing, and with the outbound trend demonstrating the resilience of Japanese companies, it would be surprising if 2015 does not see increased M&A activity.



Value of deals ($US billion) and total number of deals

Source: mergermarket

Outbound

Inbound

BOOST TO CORPORATE GOVERNANCE

Following the introduction of the Japanese Stewardship Code in February 2014, which aims to increase the engagement of shareholders in company management, Japan's first Corporate Governance Code is also on its way.

The draft Code, published in December 2014, requires companies to appoint multiple independent non-executive directors and clarify directors' obligations to shareholders – all on a "comply or explain" basis.

In general, Japanese companies have become more open on their corporate governance efforts. This change has in part been driven by record levels of foreign shareholders who attach more importance to sound corporate governance and we expect this trend to continue in 2015.

FOCUS ON WORKFORCE DIVERSITY

Various measures have been proposed to encourage women in the workforce, such as reforms in the childcare sector and requirements for companies to publish targets for female staff.

Steps to relax visa requirements for certain sectors are also likely to be implemented in 2015. It is yet to be seen whether these measures will ease economic woes associated with Japan's ageing population, but we expect to see a continued emphasis on workforce diversity in 2015.

PREDICTIONS FOR 2015

Our key predictions for Japanese M&A in 2015 are as follows:

1	**Outbound M&A**	Continued focus on outbound M&A during 2014, despite record low M&A activity overall, demonstrates the strength of the foreign investment trend. We expect this to continue in 2015, with the potential for some "mega deals" largely missing in 2014.
2	**Asia focus**	We predict that Southeast Asia, with attractive investment opportunities underpinned by growing middle-class populations and geographic ease, will remain a focal point. Thailand and Indonesia are likely to take the largest share, with Singapore increasingly used as a hub for Japanese investment in the region. India could also feature more prominently in 2015, with public courting of Japanese cash by the Indian government improving investment confidence.
3	**Potential return to Europe?**	We have also seen some signs of a return to European investment, driven by an increasing belief that the worst of the Euro crisis is over and, perhaps in part, from the political situation in Russia diverting investment back to Europe.
4	**Continued push for workforce diversity and enhanced corporate governance**	Increasingly loud calls for easier access to foreign workers, more women in the workforce and for enhanced dialogue with shareholders looks set to continue, if not pick-up pace in 2015. Though the impact these measure may have on the Japanese economy will unlikely be seen in this calendar year.

2014 – KEY DEALS

- **Mitsubishi Chemical** – Mitsubishi Chemical's US$3 billion acquisition of Taiyo Nippon Sanso accounted for over half the total value in the industrials and chemicals sector
- **Suntory Holdings** – Suntory's takeover of US distiller Beam Inc for approximately US$13.8 billion
- **H2O Retailing** – department store operator H2O Retailing merged with rival Izumiya to create a retail giant in Kansai, in a deal worth US$1.1 billion
- **NEC BIGLOBE** – NEC Corporation sold all its shares in its ISP subsidiary NEC BIGLOBE to Japan Industrial partners for US$660 million

INDUSTRY FOCUS: ENERGY
DIVESTMENT AND CONSOLIDATION TO DRIVE M&A

David Clinch
Partner
T +852 2101 4018
M +852 6298 7287
david.clinch@hsf.com

Robert Merrick
Partner
T +61 8 9211 7683
M +61 419 767 830
robert.merrick@hsf.com

Belinda Fan
Partner
T +61 3 9288 1368
M +61 400 117 348
belinda.fan@hsf.com

2014 HIGHLIGHTS

- Cost pressures on participants in the sector has, and will continue to, drive divestment and consolidation, especially in light of the volatile oil price
- Energy infrastructure assets with predictable returns, such oil and gas pipeline assets, were attractive investments and drove M&A activity in the sector
- The depressed oil price will continue to drive M&A for companies that benefit from lower input costs

THE STATE OF THE MARKET

2014 was a solid year for M&A activity in the Asia Pacific energy sector. Energy infrastructure assets with predictable returns were attractive investments. This was exemplified by the US$5 billion sale of Queensland Curtis Island LNG Pipeline at the end of 2014. We except to see this trend continue in 2015.

The volatile oil price is also expected to increase M&A activity in some parts of the sector. As development and exploration companies are forced to divest energy assets or consolidate to strengthen their balance sheets and manage exposure to the oil price, companies that benefit from lower input costs, including heavy industry companies, trading houses and power utilities, will seek to take advantage of these investment opportunities.

2014 – KEY DEALS

- **Queensland Curtis LNG (QCLNG) Pipeline** – Australia-listed APA Group Ltd has agreed to acquire the Queensland Curtis LNG (QCLNG) Pipeline from BG Group, through the acquisition of QCLNG Pipeline Pty Ltd, for US$5 billion. The pipeline links gas fields in southern Queensland to export facilities on Curtis Island. The transaction is expected to complete in the first half of 2015
- **Hess Corporation's Thailand oil and gas business** – Thailand-based PTTEP Offshore Investment Company Limited and PTTEP International Limited acquired Hess Corporation's Thailand oil and gas business valued at A$1 billion
- **30% stake in Murphy Oil Corporation's Malaysian oil and gas assets** – PT Pertamina Malaysia Eksplorasi Produksi, a subsidiary of Indonesian state-owned oil company PT Pertamina, has agreed to acquire a 30% stake in the oil and gas assets of Murphy Sabah Oil Co., Ltd. and Murphy Sarawak Oil Co., Ltd., subsidiaries of listed US-based Murphy Oil Corporation, for US$2 billion

Herbert Smith Freehills is acting for, or acted for, PTTEP on the deals listed above.

KEY ENERGY MARKET TRENDS

1

AUSTRALIA

As evidenced by the lofty US$5 billion price tag for the Queensland Curtis Island LNG Pipeline, energy infrastructure assets with predictable returns are highly attractive in the current volatile market. The potential privatisation of Australian state government assets will benefit from this demand. In addition, the three Queensland LNG projects are all expected to be in commercial production by the end of 2015. The favourable price signals from the successful divestment of the Queensland Curtis Island LNG Pipeline, together with the LNG project participants' own cost pressures, make this year a prime time for divestment or consolidation that will strengthen the participants' balance sheets. As Australia moves into an interesting selling market, we are seeing growing interests from overseas buyers, including global energy majors, private equity investors and sovereign wealth funds. The one exception is US independents (such as ConocoPhillips and Chevron) whose risk appetite for early stage ventures has diminished in the current price environment. All in all, 2015 will be an interesting year of opportunities for both sellers and buyers in the Australian energy sector.

2

CHINA

Despite a slowdown in M&A by Chinese SOEs, we have seen an increase in acquisition activity by private Chinese companies not previously in the oil and gas business. We expect this trend to continue in 2015, although anticipate that the major SOEs will re-enter the M&A market later in the year. LNG is increasingly a sector focus for Chinese energy companies. Both state-owned and private companies are looking at opportunities to acquire LNG assets and LNG offtake, driven by a series of regulatory reforms by the Chinese government, including the new rules on gas pricing and third party access to gas infrastructure. In line with plans to increase power generation using gas, China is also likely to continue to focus in 2015 on developing domestic shale gas resources, with SOEs and foreign companies being the major players.

3

SOUTH KOREA

In 2014, Korean SOEs were tasked with reducing their soaring debt levels. This prompted various divestment programmes and has operated as an effective freeze on new acquisitions by Korean SOEs. We expect SOEs to press on with their divestment programmes in 2015. There is also an increasing drive to encourage the private sector to fund natural resource investment. It is likely that Korean outbound M&A activity in the energy sector this year will be largely driven by private sector players, particularly those that are nimble enough to pursue the opportunities a low oil price environment may generate. The Korean pension funds are also likely to look for brownfield and greenfield energy infrastructure investment opportunities in OECD countries. We expect to see healthy investment flows to Australia and Canada in particular, both of which have recently activated Free Trade Agreements with Korea.

4

SOUTH-EAST ASIA

The M&A market in Southeast Asia was active in 2014. We saw the sale of a number of blue-chip assets in the region, including Hess Corporation's Thailand oil and gas business and Murphy Oil Corp's Malaysian oil and gas assets, plus several licensing rounds in Myanmar and Indonesia which generated significant interest. Political and regulatory uncertainty is still a common theme in Southeast Asia, with investors questioning the longer term plans of several regional governments. However, the regional national oil companies are becoming more dominant and are competing aggressively for new acreage – notably Thailand-based PTTEP (acquiring Hess Corporation's Thailand assets) and Indonesia-based Pertamina (acquiring the Murphy Oil Corp's Malaysian assets). This illustrates also that these companies have significant funds to deploy and are prepared to pursue outbound investment opportunities. They are also showing a willingness to enter into long term partnering arrangements with other national oil companies.

5

JAPAN

The complex dynamic in 2014 between the global reality of falling commodity prices and the implementation of "Abenomics" (a set of economic reforms proposed by Prime Minister Shinzo Abe in December 2012 to, among other things, increase the competitiveness of Japanese corporations and encourage overseas investment) means that the appetite for M&A in the energy sector in Japan has increased for companies benefiting from lower input costs, including heavy industry companies, trading houses and power utilities. Conversely, the material drop in commodity prices presents challenges for owners of commodity assets, who are forced to manage the effects of the oil price shock by divesting assets. The low valuation of producing assets will be attractive to those Japanese corporations who are seeking to capitalise on lower input costs.

MYANMAR
PROGRESS AND POSSIBILITIES

2014 HIGHLIGHTS

- Foreign direct investment from April to December 2014 came to US$6.6 billion, almost doubling the US$3.5 billion invested in the 2013-2015 fiscal year
- Foreign telecommunications network operators launch mobile networks
- Winners of offshore oil & gas tender announced and first production sharing contracts entered into
- Scope of restrictions on foreign investment in certain sectors revised
- Foreign wholesale banking licences issued

Brian Scott
Partner
T +65 6868 8089
M +65 9771 0058
brian.scott@hsf.com

Sally Austen
Senior Associate
T +65 6868 9811
M +65 8339 5849
sally.austen@hsf.com

ENERGY SECTOR INVESTMENTS DOMINATE

Foreign direct investment into the oil & gas sector contributes over a third of Myanmar's total foreign investment. By June 2014 this amounted to US$14.3 billion across 115 different projects for the financial year 2014-2015. The Ministry of Energy has announced that it is looking to engage with foreign joint venture partners for various new projects to help modernise and increase the efficiency of the assets of its SOEs.

TELECOMMUNICATIONS SECTOR SURGES AHEAD

Both Ooredoo and Telenor established networks in Yangon, Nay Pyi Taw and Mandalay with rollout to other cities in progress. A number of tower companies have entered the market to support the mobile operators, with a number of those companies obtaining private equity investment or latterly debt finance. There has also been an influx of suppliers into the country in order to support the mobile operators and tower companies.

FOREIGN PARTICIPATION IN BANKING SECTOR

Nine foreign banks were granted licences to offer a limited range of financial services within Myanmar in 2014. The terms of these licences are currently limited but should increase the availability of financial services, including the number of avenues by which investors (both local and foreign) can obtain financing.

PREDICTIONS FOR 2015

Our key predictions for M&A in Myanmar in 2015 are as follows:

1	**Watching brief on international investment pending election**	The pending elections, currently expected to take place in late October or early November 2015 may mean some investors are in a holding pattern, especially those from outside Asia. Most commentators expect engagement with foreign investors to continue despite the elections, but those still considering may see little reason to take the plunge pre-election.
2	**Key legislation expected to be issued**	A new Companies Act is expected to be issued this year which is hoped will create more certainty and a foundation for more flexible corporate structures. A new Arbitration Act is still pending although is expected to be issued in 2015 and is hoped will create a legal framework for the enforcement of international arbitration awards following Myanmar's accession to the New York Convention in 2013.
3	**Improved access to financing**	Improved access to financing is expected for both local and foreign investors in 2015 as services are launched by holders of the new wholesale foreign bank licences. Current difficulties relating to very limited security options and ability of local banks to provide financing or international standard services has been a significant obstacle for many internationally backed projects.
4	**Yangon Stock exchange launch**	The Securities and Exchange Commission of Myanmar is expected to launch the Yangon Stock Exchange in 2015. Local companies, including those with minority foreign joint venture partners, have been invited to apply for underwriting, dealing, brokerage and advisory licences.
5	**Continued opportunities in the oil and gas sector**	It is expected that licences for a further 50 offshore blocks will be announced over the next two years. There should continue to be opportunities for foreign direct investment into the upstream sector, and we also expect Myanmar Petroleum Products Enterprise to push downstream projects forward.
6	**Telecommunications sector developments**	We expect to see further investment and development in the telecoms sector, including continued mobile network roll outs, the possibility of infrastructure sharing between mobile operators, further funding for tower companies, and developments beyond traditional mobile operations.

2014 – KEY DEALS

- **Aviation fuel supply tender** – Puma Energy won the Ministry of Energy tender for the award of a licence to supply fuel to major airports in Myanmar
- **Ophir Energy** - Ophir energy and 3 other foreign firms signed production sharing contracts for the development of offshore deepwater blocks
- **Telecommunications joint venture -** MPT, KDDI and Sumitomo entered into a joint venture to develop the telecommunications licence of the incumbent provider MPT
- **Pan Asia Majestic Eagle** - Pan Asia Majestic Eagle entered into a US$85 million financing provided by DBS, ING, OCBC, Standard Chartered and Sumitomo Mitsui
- **TPG Growth** US$35 million investment into Apollo Towers, a Myanmar telecommunications tower company

Herbert Smith Freehills is acting for, or acted for, Puma Energy and Ophir Energy on the deals listed above

SINGAPORE RESURGENCE

2014 HIGHLIGHTS

- M&A activity in Singapore resurged in 2014, with deal value up 65% to US$17.7 billion from US$10.7 billion
- Although M&A activity measured by deal volume was spread relatively evenly through both halves of 2014, the first half of 2014 was significantly stronger in terms of deal value with more than 60% of the year end aggregate
- 2014 was significantly stronger than 2013 with an increased number of deals and aggregate deal values
- 2013 was a relatively flat year for M&A activity after the excitement generated in 2012 (the bids for Asia Pacific Breweries and Fraser & Neave) and previously in 2011 (the takeover of Kim Eng by Maybank), 2014 therefore marked a steady recovery in M&A activity

Nicola Yeomans
Partner
T +65 6868 8007
M +65 8339 5896
nicola.yeomans@hsf.com

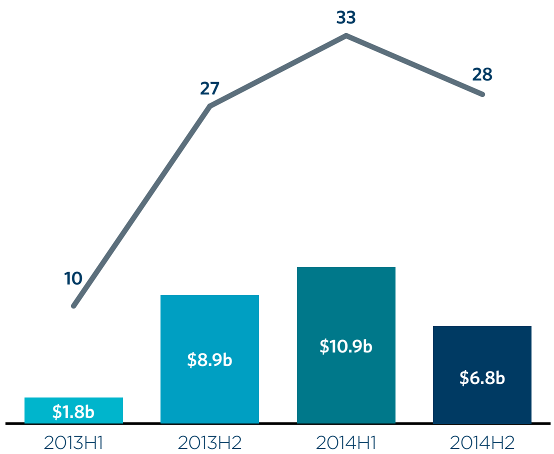
THE STATE OF THE MARKET

2014 marked a strong recovery in M&A activity from the slump in 2013 as M&A deal volume increased by 65% from 37 to 61 deals and aggregate deal value also increased by 65% from US$10.7 billion to US$17.7 billion. This is in part due to the completion of a number of large deals, including CapitaLand Limited's acquisition of a 34.7% stake in CapitaMalls Asia for US$2.5 billion, Temasek Holdings' acquisition of a 47.6% stake in Olam International for US$2.2 billion, and Kohlberg Kravis Roberts & Co.'s acquisition of 100% of Goodpack Limited for US$1.4 billion.

2014 also turned out to be relatively stable in terms of M&A deal flow as the deal volume was spread evenly across both halves of the year (33 in the first half and 28 in the second half). There was however a significant fall in aggregate deal value from the first half to the second half of the year (US$10.9 billion to US$6.8 billion).

In 2014, the proportion of domestic deals increased signifying a robust performance of the domestic market.

2015 is expected to see a continuation of these trends: growth in the domestic M&A market and also an increasing cross-border component, including more inbound deals as well as outbound deals.



Value of deals ($US billion) and total number of deals

Source: mergermarket

DIVERSE SECTOR ACTIVITY

2014 M&A activity in Singapore was spread across a wide range of sectors, with none particularly dominating the statistics, the most active sectors (by volume) being real estate (27%), industrials / manufacturing (24%), construction / transportation (24%), leisure (16%), energy and natural resources (16%), TMT (13%), and services (14%).

PREDICTIONS FOR 2015

Our key predictions for M&A in Singapore in 2015 are as follows:

1	**Growth to continue**	Singapore's economy is expected to grow moderately in 2015. In October 2014, the Monetary Authority of Singapore reiterated the GDP growth forecast of 2.5-3.5% and confirmed that this pace of growth is expected to continue into 2015.
2	**Activity to be spread across a broad base**	M&A activity in Singapore will continue to be spread across a diverse range of sectors.
3	**Singapore to remain attractive destination for setting up private equity funds**	Singapore will continue to be particularly attractive to PE fund managers because of its attractive tax regime (including its network of 73 comprehensive double taxation treaties), established financial infrastructure, its reputation as a livable global city which makes it easier to attract talent and its strategic location with easy access to the rest of the high growth economies of Southeast Asia. This will in turn drive M&A (particularly outbound M&A).
4	**Singapore to become preferred regional hub for investments**	Singapore will continue to grow as the preferred platform for regional investment, in particular Indian and Chinese investment. In 2013-2014 (April to March), foreign direct investment inflows from Singapore accounted for nearly a quarter of India's total, reaching US$5.98 billion compared with US$2.3 billion in the previous year as Singapore overtook Mauritius last year as the leading source of foreign direct investment into India for the first time. With continued scrutiny over tax havens in India and concern over the implementation of India's April 2016 General Anti-Avoidance Rules (**GAAR**), Singapore will emerge as the preferred choice of platform for investing into India over Mauritius. In October 2014, Singapore and China agreed to further strengthen financial cooperation through, among other initiatives, allowing direct currency trading between the Chinese Yuan and the Singapore dollar in order to lower foreign exchange transaction costs.
5	**Singapore on its way to being the Asian hub of dispute resolution**	The launch of the Singapore International Commercial Court (**SICC**) on 5 January 2015, will contribute to Singapore's increasing popularity as an investment hub. The SICC's function is to hear cross border disputes, and provides an alternative to international arbitration.

2014 – KEY DEALS

- **CapitaLand Limited** - CapitaLand's acquisition of the remaining 34.7% stake, not already owned by CapitaLand, in CapitaMalls Asia for US$2.2 billion
- **Temasek Holdings -** Temasek's US$1.81 billion acquisition of the remaining 47.6% stake, not already owned by Temasek, in the SGX-listed Olam International, a global integrated supply chain manager and processor of agricultural products and food ingredients
- **Kohlberg Kravis Roberts & Co**. - KKR's acquisition of 100% of SGX-listed packaging company Goodpack Limited for US$1.1 billion
- **Jiangsu Changjiang Electronics Technology Co Ltd** - Jiangsu Changjiang Electronic's, the listed Chinese electronic products maker, acquisition of Stats ChipPac Ltd, the SGX-listed semiconductor testing and assembly services provider for US$1.74billion

INDUSTRY FOCUS: TMT
A STRONG YEAR IN TMT

2014 HIGHLIGHTS & 2015 PREDICTIONS

- 2014 was a big year for TMT deals in the Asia Pacific with a large increase in the number of deals and deal value compared to 2013
- Although economists predict an uncertain economic climate in 2015, we forecast a healthy and continuing pipeline of M&A activity in the TMT space in the Asia Pacific
- Focus areas for 2015 include big data, telecom operators increasing their venture capital activity, emerging markets, rationalisation and consolidation in certain segments, regulatory challenges, minority acquisitions by telecom operators, new product offerings following acquisition of niche players, cloud computing, e-payments and smart networks

Graeme Preston
Partner
T +81 3 5412 5485
M +44 7920 533 743
graeme.preston@hsf.com

Damien Bailey
Partner
T +612 9225 5545
M +61 409 494 842
damien.bailey@hsf.com

Lesley Sutton
Partner
T +61 2 9225 5169
M +61 4 414 265 169
lesley.sutton@hsf.com

THE STATE OF THE MARKET

The technology, media and telecommunications (**TMT**) sectors accounted for 18.7% of the total global value of deals, with 400 more announcements than 2013, representing an increase in deal value of US$604.2 billion

In Asia Pacific, a total of 399 TMT deals amounted to US$53.7 billion, which was a 46.9% increase from 248 deals amounting to US$36.5 billion in 2013. This made up 13.1% of the total deals in the region.

Outbound M&A in the Asia Pacific region has moved away from the Energy, Mining & Utilities sector – down 64.3% to US$24.6 billion in 2014 from US$68.9 billion in 2011 – and towards TMT, which has had a dramatic upsurge in 2014 with some of the highest levels on record.

MARKET OUTLOOK

China's telecom operators will continue their international expansion, and will focus on acquisitions in Asia and Africa. Technology companies such as Tencent and Alibaba will continue to expand into non-core areas through a mix of organic and non-organic growth.

Japan is likely to significantly strengthen its investment in Southeast Asia in 2015, primarily in the form of increasing acquisition activity from Japanese telecom operators and trading houses in the TMT space.

Both US and Asia based venture capital funds are looking to access the Southeast Asian and Silicon Valley markets respectively, so 2015 is likely to see some cross-border acquisitions in the venture capital space.

10 TRENDS AND PREDICTIONS FOR 2015

1	**Big data**	The big consultants and telecom operators will continue in the movement towards harnessing Big Data, and will look to ways to bring a more focused approach to the area by targeting specific industries or sectors. This will see acquisitions of start-ups and smaller operations which have developed software which has the potential to enable the bigger players to adopt that more focused approach.
2	**Venture capitalism**	Involvement by telecom operators in the venture capital space will increase. The large telecom operators have established their own venture capital funds and will invest in projects with a view to leveraging the new technology in their own network and product offerings. The Asia operators will become increasingly active in the US and Europe as they look for investment opportunities.
3	**Emerging markets**	Traditional pay TV and free-to-air TV services will continue to decline. There will be an increasing uptake of subscription video on-demand based TV services such as Netflix and iFlix. The subscription model will expand into emerging consumer markets such as second and third world Asian nations, tapping into a largely untouched consumer-base by providing full service at minimal cost. Larger more established traditional pay TV and free-to-air players may seek to acquire niche companies in order to secure future revenue streams.
4	**Rationalisation and consolidation**	Rationalisation and consolidation of the Chinese outsourcing sector will continue which will result in a smaller number of players developing sufficient critical mass and thus providing a credible offering to international customers.
5	**Regulatory challenges**	Tension will continue to increase between traditional telecom operators and over-the-top (**OTT**) providers as traditional operators still seek to monetise the OTT providers' use of their infrastructure, resulting in increased pressure on regulators. Some operators will look to resolve the tension by acquiring OTT providers.
6	**Minority acquisitions**	The large Asian telecom operators will make further acquisitions internationally, particularly within Asia. Expansion is more likely to be in the form of acquiring minority stakes with ongoing management contracts, as seen in China Mobile purchasing an 18% stake in Thai mobile company, True, in mid-2014.
7	**New product offerings**	Large technology companies such as Google and Apple will continue to acquire smaller companies and start-ups in Asia Pacific that complement their existing products. Technology companies are also expanding into non-traditional areas such as 3D Printing, Advance Driver Assistance Systems, and drones, whilst also consolidating their product offerings in areas such as enterprise-focused machine-to-machine / internet-of-things.
8	**Cloud computing**	Security of public and hybrid clouds will strengthen, attracting a wider range of users including governments and multinationals, who will take advantage of the increasingly secure public domains rather than a single focus on private clouds. 2015 may see consolidation of Asian cloud-computing providers in order to cater for growing customer needs.
9	**E-Payments**	There is potential for fragmentation of the e-payment space as other parties look to gain market share. However, 2015 is likely to see a huge increase in the number of global smartphones used at least once a month to make an in-store contactless payment, particularly following the introduction of Apple Pay and its likely international expansion. Stakeholders from banks and merchants to credit card companies and device vendors are therefore more likely to adopt common standards for e-payments. Larger Asian banks and e-payment providers may commence discussions to explore e-payment joint venture opportunities.
10	**Smart networks**	As those companies that have already explored the potential of smart cities look to consolidate their investments to date, they will seek out opportunities to acquire entities with complementary technologies to further validate their current offering.

2014 – KEY DEALS

- **Softbank** – Softbank's US$250 million investment in GrabTaxi Holdings – the largest mobile taxi booking app provider in Southeast Asia
- **Telstra** – Telstra's US$697 million acquisition of Pacnet
- **China Mobile** – China Mobile's acquisition of an 18%, US$880 million stake in Thai mobile company, True

SOUTH KOREA
INWARD BOUND

2014 HIGHLIGHTS

- 2014 was a record year for Korean inbound M&A, with foreign investors targeting a range of sectors
- In contrast, levels of outbound M&A were disappointing with many Korean companies failing to take advantage of the global increase in opportunities
- Reform of Korea's SOEs has been slow, with proposed divestment programmes proceeding cautiously

Lewis McDonald
Partner
T +82 2 6321 5711
M +82 10 3609 0320
lewis.mcdonald@hsf.com

Tom Marshall
Associate
T +82 2 6321 5712
M +82 10 3792 3336
tom.marshall@hsf.com

THE STATE OF THE MARKET

2014 was a mixed bag for Korean cross-border M&A.

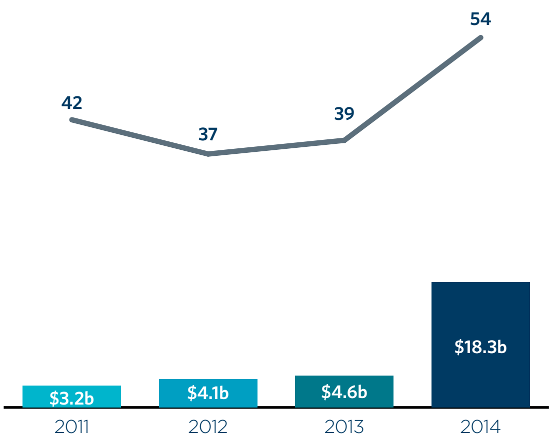
There was a surge in inbound M&A in 2014, building on steady growth since 2009, with significant investment from Europe, the US and the Middle East.

It was the year of the "mega deal" for the consumer goods sector, with the acquisition of Oriental Brewery Co alone making up over 30% of the total inbound deal value.

Outbound activity was less healthy, with a significant drop in deal numbers during 2014 compared to 2013, following a general downward trend over the past several years.

Those deals that did complete involved a few large players with activity focussed on just a few sectors.

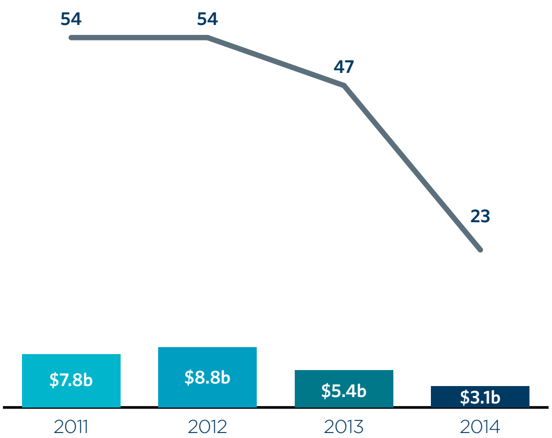
Inbound



Value of deals ($US billion) and total number of deals

Source: mergermarket

Outbound



Value of deals ($US billion) and total number of deals

Source: mergermarket

KOREAN BUYERS: WHAT IS GOING WRONG?

With the domestic market static, Korean corporates need to increase overseas investment in order to gain access to growth markets and to access resources, technology, brands, products and services. This strategic need, however, is not reflected in the low levels of outbound M&A activity in 2014. So what is going wrong?

One of the key issues in 2014 was the financial health of the big players. For the SOEs, soaring debt levels and Government mandated reduction plans pushed acquisitions onto the back shelf. Poor balance sheets were also an issue for many of the Korean conglomerates (*Chaebol*), as were the scandals involving chairmen of many of the big companies.

Business confidence was also low following the Saewol ferry disaster, and the Government's reaction to this, which exposed deep-rooted issues with Korean corporate culture towards risk management and corruption.

STATUS UPDATE: SOE REFORM

As reported last year, SOEs were ordered to take measures to reduce mounting debt. This has resulted in a number of SOEs implementing divestment programmes. So far, these have had limited success: most programmes have proceeded slowly and certain divestments have given rise to public and political criticism, and even criminal investigations.

PREDICTIONS FOR 2015

Our key predictions for M&A in South Korea in 2015 are as follows:

1. **Continued surge in inbound M&A in consumer goods sector** — 2014 was a great year for Korea targeted M&A in this sector. We expect 2015 to build on this success with a pipeline of transactions and the possibility of further megadeals. These deals are fueled by a general desire of European and US buyers to find opportunities to expand into Asia.

2. **Outbound activity to be led by SMEs** — There have been a number of attempts to increase activity by small to medium enterprises (**SMEs**), such as the much publicised "COPA fund" initiative, designed to give corporates access to private equity experience and capital. So far, COPA funds have been fairly inactive, partly due to teething problems (such as appointment of inexperienced local general partners and initial tie-ups with less risky, but less in need, *Chaebol*), although this looks set to change as the focus shifts to SMEs.

3. **Oil and gas M&A activity set to increase on back of low oil prices** — Given current policy direction, the SOEs are unlikely to be able to take advantage of opportunities resulting from a low oil price environment. Private energy companies, on the other hand, will be freer to take advantage of any strategic or distressed sales.

4. **Possible country exits?** — It is understood that a number of international companies are experiencing problems with their Korean operations. We would not, therefore, rule out one or more exits from Korea by foreign multinationals in 2015.

5. **Involvement of Private Equity set to continue to grow** — As with last year, we expect to see continued growth in deals backed by domestic and global private equity firms.

2014 – KEY DEALS

- **Acquisition of Oriental Brewery Co, Ltd** – Anheuser-Busch Inbev NV's acquisition of Oriental Brewery Co Ltd from Kohlberg Kravis Roberts & Co LP and Affinity Equity Partners for approximately US$5.8 billion
- **Acquisition of Tyco Fire & Security Services** – Carlyle Group LLC's acquisition of Tyco Fire & Security Services Korea Co, Ltd from Tyco International Ltd for approximately US$1.9 billion
- **Divestment of Zubair project** – Partial divestment by KOGAS of its interest in the Zubair oil field via a fund (to be managed by Stonebridge Capital) structure (ongoing)

Herbert Smith Freehills is acting for KOGAS and Stonebridge on the Zubair transaction listed above.

THAILAND
APPETITE FOR OUTBOUND INVESTMENT CONTINUES

2014 HIGHLIGHTS

- While more deals were announced in 2014 than 2013, the Thai M&A market saw a significant fall in deal values throughout 2014, largely due to the lack of large deals in the region
- Uncertainties in the Thai market are affecting business confidence and the appetite for domestic investment in Thailand
- 2014 was a solid year for Thai outbound investment, as Thai investors aimed to diversify and take advantage of strategic growth opportunities. This trend is expected to continue in 2015

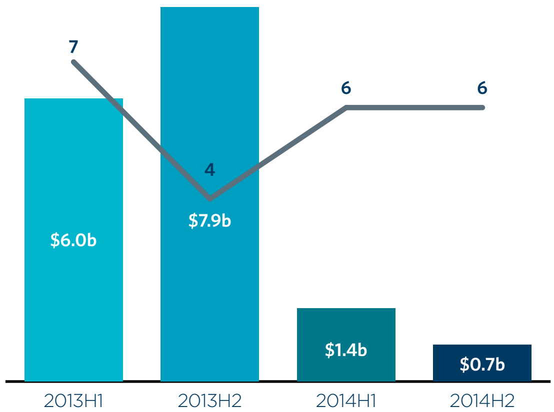
Chinnawat Thongpakdee
Managing Partner
T +66 2 657 3829
M +66 81 833 4700
chinnawat.thongpakdee@hsf.com

THE STATE OF THE MARKET

While more deals were announced in 2014 than in 2013, the Thai M&A market saw a significant fall in deal values in 2014 from 2013 levels.

The first half of 2014 saw US$1.4 billion of new public M&A transactions followed by US$700 million in the second half. With the exception of Singapore, the reduction in deal values is in line with the rest of Southeast Asia and is largely due to the lack of large deals in the region in 2014.

Conversely, cross-border acquisitions by Thai companies have continued in 2014. Recent examples of this sustained appetite for outbound investment include the US$1.5 billion acquisition of North America's largest producer and marketer of canned tuna and sardines, Bumble Bee Foods LLC., for US$1.5 billion, which was announced in the second half of 2014, and the US$102 million takeover of Nido Petroleum Limited by The Bangchak Petroleum Public Company Limited, which closed in the second half of 2014.



Value of deals ($US billion) and total number of deals

Source: mergermarket

PREDICTIONS FOR 2015

Our key predictions for M&A in Thailand in 2015 are as follows:

1. **Impact of political uncertainty** — Business confidence will continue to be affected by the political uncertainty in Thailand. Domestic M&A activity is likely to increase as political stability is restored in the country.

2. **Growth in outbound M&A** — Cross-border acquisitions by Thai companies will continue in 2015, particularly as Thai investors seek to diversify and reduce exposure to uncertainties in the Thai market and take advantage of opportunities for strategic growth.

3. **ASEAN Economic Community to fuel M&A in South-East Asia** — Thailand and other Southeast Asian countries can expect to see growth as the region moves toward implementation of the ASEAN Economic Community. We expect this will result in increased M&A activity throughout the region.

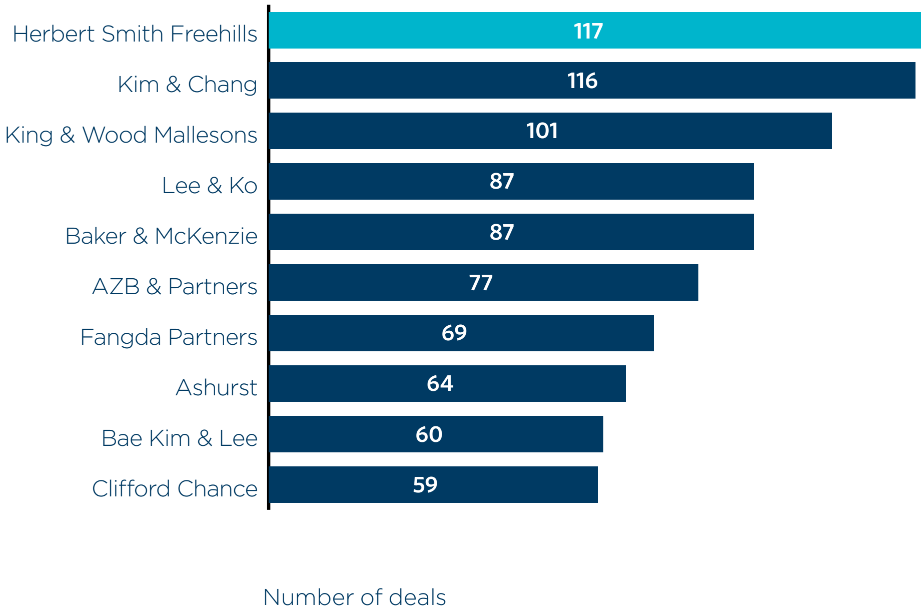
2014 – KEY DEALS

- **Thai Union Frozen Products PLC** – Thai Union Frozen Products PLC, a Thailand-listed manufacturer and exporter of various seafood products, has agreed to acquire North America's largest producer and marketer of canned tuna and sardines, Bumble Bee Foods LLC., for US$1.5 billion
- **PTTEP Offshore Investment Company Limited and PTTEP International Limited** – Thailand-based PTTEP Offshore Investment Company Limited and PTTEP International Limited acquired Hess Corporation's Thailand oil and gas business valued at US$1 billion
- **Electricity Generating Public Company Limited** – the acquisition of a 20% stake in Star Geothermal Pte Ltd, an Indonesian company engaged in the operation of geothermal power stations and oil and gas exploration, by Thailand-listed Electricity Generating Public Company Limited for US$215 million
- **The Bangchak Petroleum Public Company Limited** – US$118 million takeover of Australia-listed oil and gas exploration and production company, Nido Petroleum Limited by The Bangchak Petroleum Public Company Limited, which closed in the second half of 2014. Upon the close of the takeover offer, Bangchak held 81.41% of Nido

Herbert Smith Freehills is acting for, or acted for, PTTEP on the deal listed above.

2014 ASIA PACIFIC M&A LEAGUE TABLES

2014 ASIA PACIFIC (EX JAPAN) BY NUMBER OF ANNOUNCED DEALS



Source: Thomson Reuters 2014

HERBERT SMITH FREEHILLS WAS INVOLVED IN MORE ANNOUNCED M&A DEALS IN THE ASIA PACIFIC REGION (EX JAPAN) IN 2014 THAN ANY OTHER LAW FIRM.
THOMSON REUTERS 2014

"A DEEP PRACTICE, WITH THE ABILITY TO HANDLE THE LARGEST AND MOST DEMANDING TRANSACTIONS."
CHAMBERS ASIA-PACIFIC 2014

"HIGH-QUALITY LAW FIRM THAT IS ABLE TO PROVIDE COMPREHENSIVE SERVICES TO ITS CLIENTS."
CHAMBERS ASIA-PACIFIC 2014

ASIA PACIFIC M&A

Recent awards include:

M&A DEAL OF THE YEAR (XL AXIATA'S ACQUISITION OF AXIS TELEKOM)
INDONESIA DEAL OF THE YEAR (XL AXIATA'S ACQUISITION OF AXIS TELEKOM)
ALB INDONESIA LAW AWARDS 2014

REGULATORY & COMPLIANCE FIRM OF THE YEAR
CHINA LAW & PRACTICE AWARDS 2014

TRANSACTION TEAM OF THE YEAR – HERBERT SMITH FREEHILLS M&A TEAM
LAWYERS WEEKLY 2014 AUSTRALIAN LAW AWARDS

CORPORATE SOCIAL RESPONSIBILITY LAW FIRM OF THE YEAR
ALB SE ASIA LAW AWARDS 2014

LAW FIRM OF THE YEAR
2014 LAW INSTITUTE OF VICTORIA AWARDS

NATIONAL FIRM OF THE YEAR AWARD FOR AUSTRALIA
IFLR ASIA AWARDS 2014

ASIA-PACIFIC ENERGY LAW FIRM OF THE YEAR
ASIAN LAWYER ALL STAR LEGAL AWARDS 2014

ASIA'S TMT LAW FIRM OF THE YEAR 2013
TMT FINANCE ASIA GALA AWARDS

BEST PROFESSIONAL SERVICES FIRM (REVENUE OVER A$200M)
BEST LAW FIRM (REVENUE OVER A$200M)
BEATON RESEARCH + CONSULTING/BRW CLIENT CHOICE AWARD 2014

ASIA PACIFIC DEAL OF THE YEAR (A$7.8 BILLION OF US AND AUSTRALIAN DOLLAR DEBT FINANCING OF THE ROY HILL IRON ORE PROJECT IN WESTERN AUSTRALIA)
ASIA PACIFIC RENEWABLES DEAL OF THE YEAR (ENERGY DEVELOPMENT CORPORATIONS' US$315 MILLION FINANCING OF THE 150 MW BURGOS WIND FARM PROJECT
PFI AWARDS 2014

ENERGY AND RESOURCES DEAL OF THE YEAR (MERGER OF MITSUBISHI HEAVY INDUSTRIES AND HITACHI'S THERMAL POWER UNITS)
ALB JAPAN LAW AWARDS 2014

CONTRIBUTORS

Sally Austen
Senior Associate
T +65 6868 9811
M +65 8339 5849
sally.austen@hsf.com

Damien Bailey
Partner
T +61 2 9225 5545
M +61 409 494 842
damien.bailey@hsf.com

Andrew Blacoe
Partner
T +81 3 5412 5455
M +44 7769 69 5929
andrew.blacoe@hsf.com

Tom Chau
Partner
T +86 10 6535 5136
M +852 9106 0017
tom.chau@hsf.com

David Clinch
Partner
T +852 2101 4018
M +852 6298 7287
david.clinch@hsf.com

Tony Damian
Partner
T +61 2 9225 5784
M +61 405 223 705
tony.damian@hsf.com

David Dawborn
Partner
T + 62 21 5790 0571
M + 62 811 1890 367
david.dawborn@hsf.com

Belinda Fan
Partner
T +61 3 9288 1368
M +61 400 117 348
belinda.fan@hsf.com

Damien Hazard
Partner
T +61 2 9225 5564
M +61 404 861 770
damien.hazard@hsf.com

Nanda Lau
Partner
T +86 21 2322 2117
M +86 130 5215 0394
nanda.lau@hsf.com

Rodd Levy
Partner
T +61 3 9288 1518
M +61 417 053 177
rodd.levy@hsf.com

Rebecca Major
Partner
T +33 1 53 57 78 31
rebecca.major@hsf.com

Tom Marshall
Senior Associate
T +82 2 6321 5712
M +82 10 3792 3336
tom.marshall@hsf.com

Lewis McDonald
Partner
T +82 2 6321 5711
M +82 10 3609 0320
lewis.mcdonald@hsf.com

Robert Merrick
Partner
T +61 8 9211 7683
M +61 419 767 830
robert.merrick@hsf.com

Alan Montgomery
Partner
T +44 20 7466 2618
M +44 7809 200 437
alan.montgomery@hsf.com

Hayley Neilson
Partner
T +61 2 9322 4376
M +61 408 178 023
hayley.neilson@hsf.com

Andrew Pike
Head of Corporate, Australia
T +61 2 9225 5085
M +61 416 225 085
andrew.pike@hsf.com

Graeme Preston
Partner
T +81 3 5412 5485
M +81 90 1735 4956
graeme.preston@hsf.com

Brian Scott
Partner
T +65 68688089
M +65 97710058
brian.scott@hsf.com

Austin Sweeney
Partner
T +852 2101 4001
M +852 6051 8620
austin.sweeney@hsf.com

Lesley Sutton
Partner
T +61 2 9225 5169
M +61 414 265 169
lesley.sutton@hsf.com

Vik Tang
Counsel
T + 62 21 5790 2829
M +62 812 11 71912
vik.tang@hsf.com

Chinnawat Thongpakdee
Partner
T +66 2 657 3829
M +66 81 833 4700
chinnawat.thongpakdee@hsf.com

Tommy Tong
Partner
T +852 2101 4151
M +852 9193 9690
tommy.tong@hsf.com

Nicola Yeomans
Partner
T +65 6868 8007
M +65 8339 5896
nicola.yeomans@hsf.com

NOTES

NOTES

ABU DHABI
Herbert Smith Freehills LLP
T +971 2 813 5000
F +971 2 813 5100

BANGKOK
Herbert Smith Freehills (Thailand) Ltd
T +66 2657 3888
F +66 2636 0657

BEIJING
Herbert Smith Freehills LLP Beijing Representative Office (UK)
T +86 10 6535 5000
F +86 10 6535 5055

BELFAST
Herbert Smith Freehills LLP
T +44 28 9025 8200
F +44 28 9025 8201

BERLIN
Herbert Smith Freehills Germany LLP
T +49 30 2215 10400
F +49 30 2215 10499

BRISBANE
Herbert Smith Freehills
T +61 7 3258 6666
F +61 7 3258 6444

BRUSSELS
Herbert Smith Freehills LLP
T +32 2 511 7450
F +32 2 511 7772

DOHA
Herbert Smith Freehills Middle East LLP
T +974 4429 4000
F +974 4429 4001

DUBAI
Herbert Smith Freehills LLP
T +971 4 428 6300
F +971 4 365 3171

FRANKFURT
Herbert Smith Freehills Germany LLP
T +49 69 2222 82400
F +49 69 2222 82499

HONG KONG
Herbert Smith Freehills
T +852 2845 6639
F +852 2845 9099

JAKARTA
Hiswara Bunjamin and Tandjung
Herbert Smith Freehills LLP associated firm
T +62 21 574 4010
F +62 21 574 4670

LONDON
Herbert Smith Freehills LLP
T +44 20 7374 8000
F +44 20 7374 0888

MADRID
Herbert Smith Freehills Spain LLP
T +34 91 423 4000
F +34 91 423 4001

MELBOURNE
Herbert Smith Freehills
T +61 3 9288 1234
F +61 3 9288 1567

MOSCOW
Herbert Smith Freehills CIS LLP
T +7 495 363 6500
F +7 495 363 6501

NEW YORK
Herbert Smith Freehills New York LLP
T +1 917 542 7600
F +1 917 542 7601

PARIS
Herbert Smith Freehills Paris LLP
T +33 1 53 57 70 70
F +33 1 53 57 70 80

PERTH
Herbert Smith Freehills
T +61 8 9211 7777
F +61 8 9211 7878

SEOUL
Herbert Smith Freehills LLP
Foreign Legal Consultant Office
T +82 2 6321 5600
F +82 2 6321 5601

SHANGHAI
Herbert Smith Freehills LLP Shanghai Representative Office (UK)
T +86 21 2322 2000
F +86 21 2322 2322

SINGAPORE
Herbert Smith Freehills LLP
T +65 6868 8000
F +65 6868 8001

SYDNEY
Herbert Smith Freehills
T +61 2 9225 5000
F +61 2 9322 4000

TOKYO
Herbert Smith Freehills
T +81 3 5412 5412
F +81 3 5412 5413