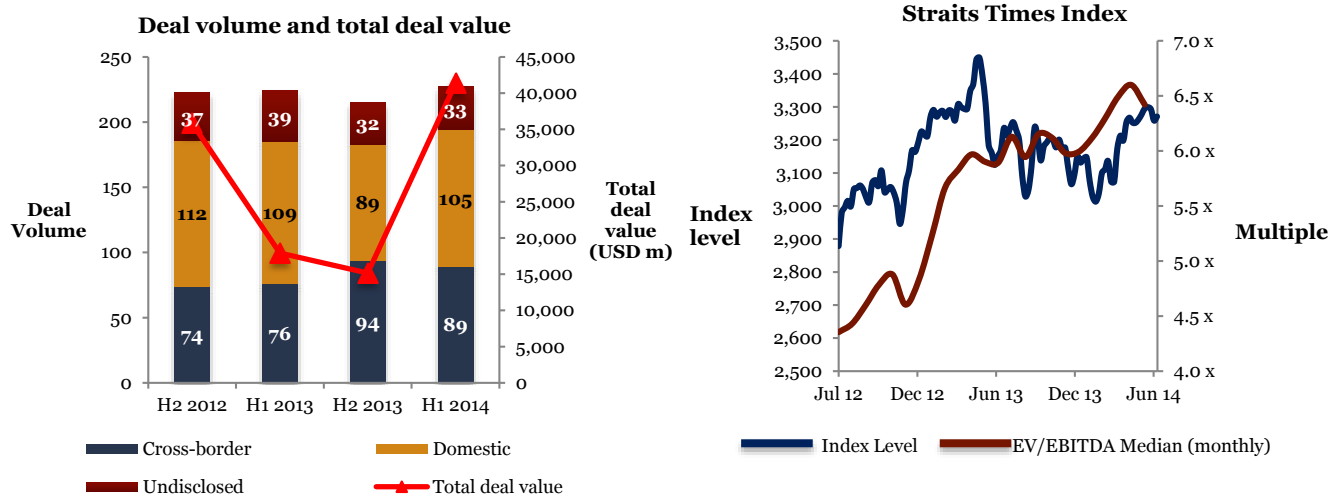


## Singapore Inbound M&A Highlights – First Semester 2014 Update

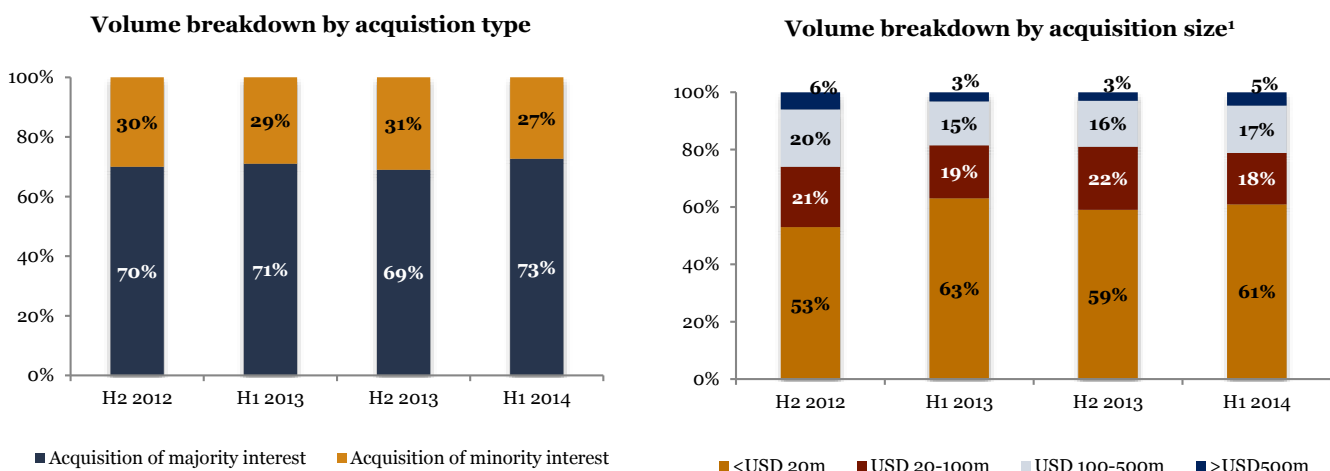
Date of publication: 15 August 2014

### Overall trends

Inbound M&A activity in Singapore was relatively stable in terms of deal volume, with domestic deals returning to H2 2012/H1 2013 levels, mainly due to increased deal volumes in the industrials and healthcare sectors. The total deal value, which trended downwards in the previous three semesters, increased significantly, mainly due to the completion of several mega deals during the period, including CapitaLand Limited's acquisition of a 100% stake in CapitaMalls Asia for USD 2.5bn, Temasek Holdings' acquisition of a 75% stake in Olam International for USD 10.6bn, and Kohlberg Kravis Roberts & Co.'s acquisition of 100% of Goodpack Limited for USD 1.4bn.



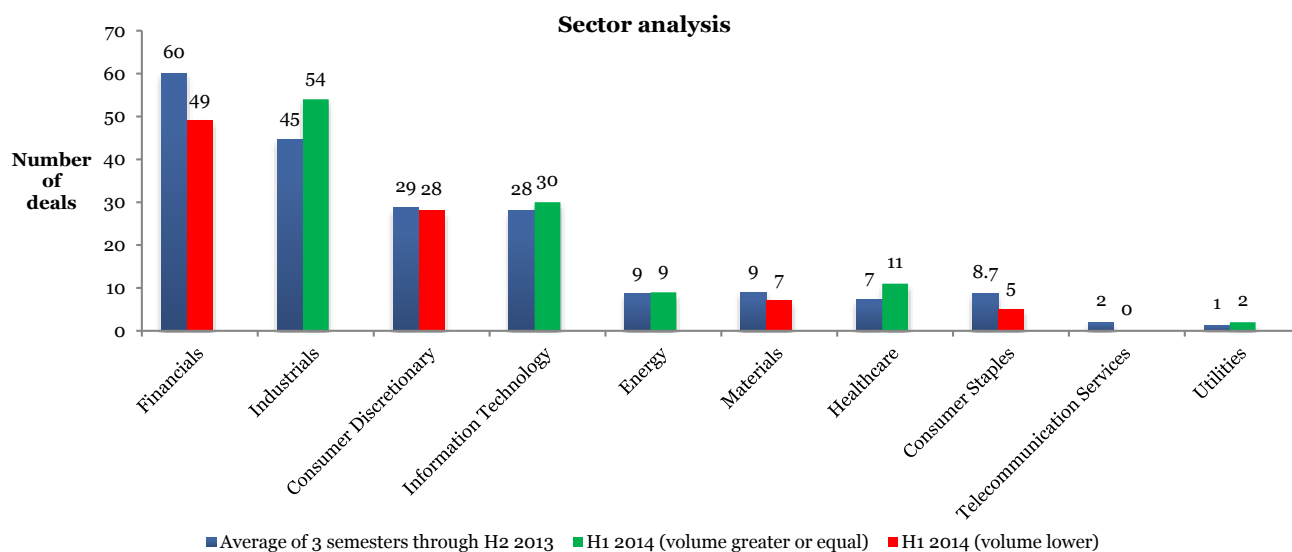
Acquisition of controlling stakes as well as small- to mid-sized transactions continued to represent the majority of the total deal volumes in H1 2014.



<sup>1</sup> Deals with undisclosed acquisition size represented 33.5 per cent of the total deal volume and were excluded from the analysis

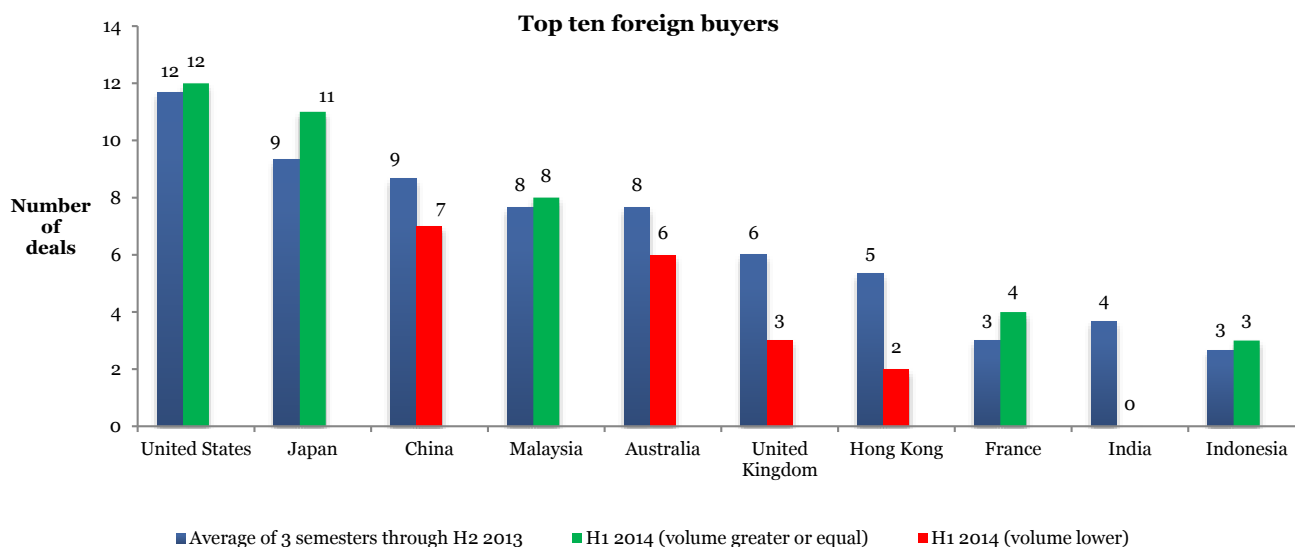
## Sector analysis

Most sectors saw relatively stable transaction volumes in H1 2014 as compared to the average of the previous three semesters, with the exception of the financials (notably lower volume) and industrials sectors (notably higher volume), which were also the top two sectors in terms of deal volume. Approximately 75% of the deals in the financial sector comprised real-estate related deals, which expectedly continued to see a decrease in deal volume as a result of the property cooling measures introduced by the Singapore government in late 2013 and early 2014. In the meantime, the industrials sector saw quite a significant increase in deal volume in H1 2014 which was mainly driven by smaller (i.e., less than USD 100m) domestic transactions in the industrial machinery and marine sub-sectors, suggesting apparent consolidations of these sub-sectors in Singapore.



## Buyer country analysis (cross-border deals)

In general, transaction volumes by top buyer countries were stable with slight variations in H1 2014 as compared to the average of the previous three semesters with the exception of some Asia Pacific acquirers and the United Kingdom, which saw lower volumes in H1 2014, mainly because these countries' H2 2013 deal volumes were higher than usual, pushing up the overall three-semester deal volume averages.



## Top ten cross-border completed deals (two years to 30 June 2014)

The top ten deals list is still dominated by Heineken / Fraser and Neave beverage deals of July 2012.

#	Date <sup>(1)</sup>	Target	Acquirer	Acquirer nation	Target sector	Percentage acquired	Deal Value (USD m)
1	Jul-12	Asia Pacific Investment Pte Ltd	Heineken International B.V.	Netherlands	Consumer Staples	50 %	3,667
2	Jul-12	Heineken Asia MTN Pte. Ltd.	Heineken International B.V.	Netherlands	Consumer Staples	26 %	2,806
3	Jun-14	Frank Russell Company	London Stock Exchange Group plc (LSE:LSE)	United Kingdom	Financials	100%	2,700
4	Jul-12	Fraser and Neave, Limited (SGX:F99)	International Beverage Holdings Ltd.	Thailand	Consumer Staples	22 %	2,209
5	May-14	Goodpack Limited (SGX:G05)	Kohlberg Kravis Roberts & Co. L.P. (NYSE:KKR)	United States	Materials	100 %	1,410
6	Aug-12	Vard Holdings Limited (SGX:MS7)	Fincantieri Oil & Gas S.p.A.	Italy	Industrials	51 %	1,158
7	Oct-12	Kian Ann Engineering Ltd.	Invicta Holdings Ltd. (JSE:IVT)	South Africa	Industrials	100 %	1,128
8	Jul-12	Infastech (Singapore) Pte. Ltd.	Emhart Technologies, LLC	United States	Industrials	100 %	908
9	Mar-13	Ardian	AXA Group (ENXTPA:CS)	France	Financials	100%	662
10	Mar-13	PacificLight Power Pte Ltd	First Pacific Company Ltd. (SEHK:142); Meralco PowerGen Corporation	Hong Kong	Utilities	70%	638

<sup>(1)</sup> Last semester shaded in blue

## Prospective

With the moderate improvements in inbound M&A activity in Singapore in H1 2014, coupled with the overall improvements of the global macroeconomic conditions, we expect that the momentum of inbound M&A activity in Singapore would continue well into the end of 2014

## Sources

Information on M&A transactions were extracted from Capital IQ and subsequently processed by Pickering Pacific.

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