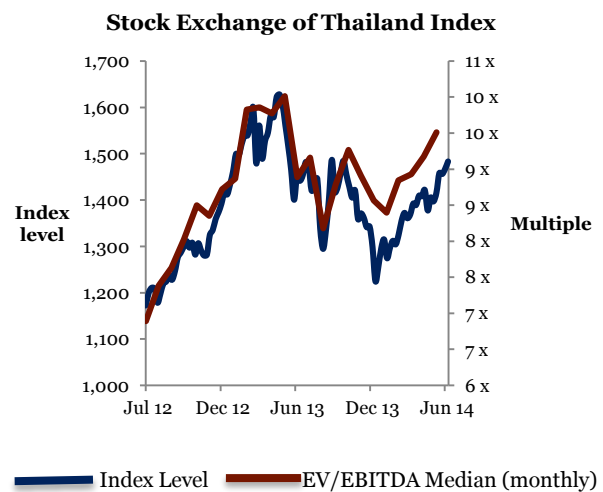
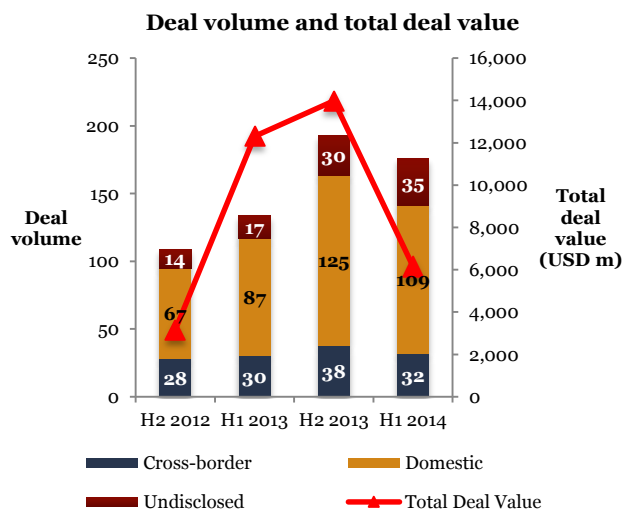


## Thailand Inbound M&A Highlights – First Semester 2014 Update

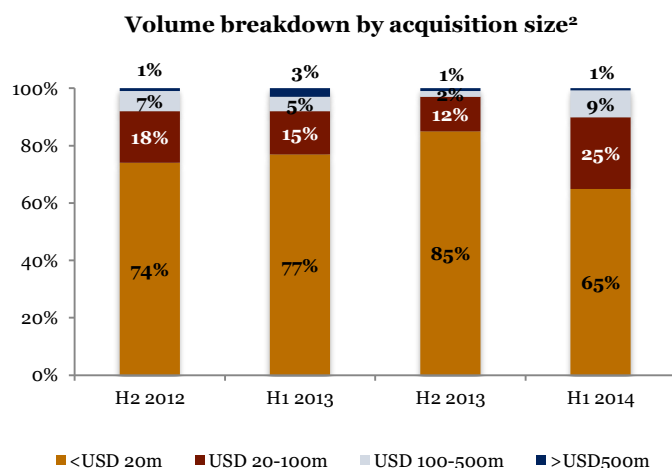
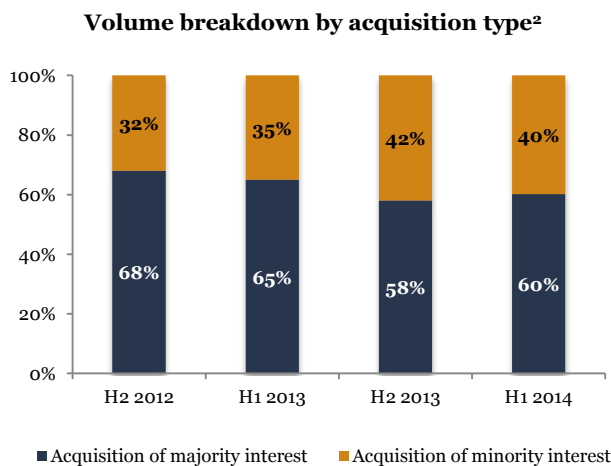
Date of publication: 15 August 2015

### Overall trends

Inbound M&A activity in Thailand was lower in H1 2014 compared to the previous semester, both in terms of deal volume and deal value. The acute phase of the later political crisis, which started in late 2013, was yet to be fully resolved at the end of H1 2014 and continued to cause uncertainties amongst investors. Total deal value in H1 2014 was significantly smaller than in the previous two semesters because of the lack of mega deals during the period – there was only one above USD 500m deal during the period, i.e., PTTEP International's USD 1 bn acquisition of Contract 4 Project and Sinphuhorm Project in the Energy Sector.



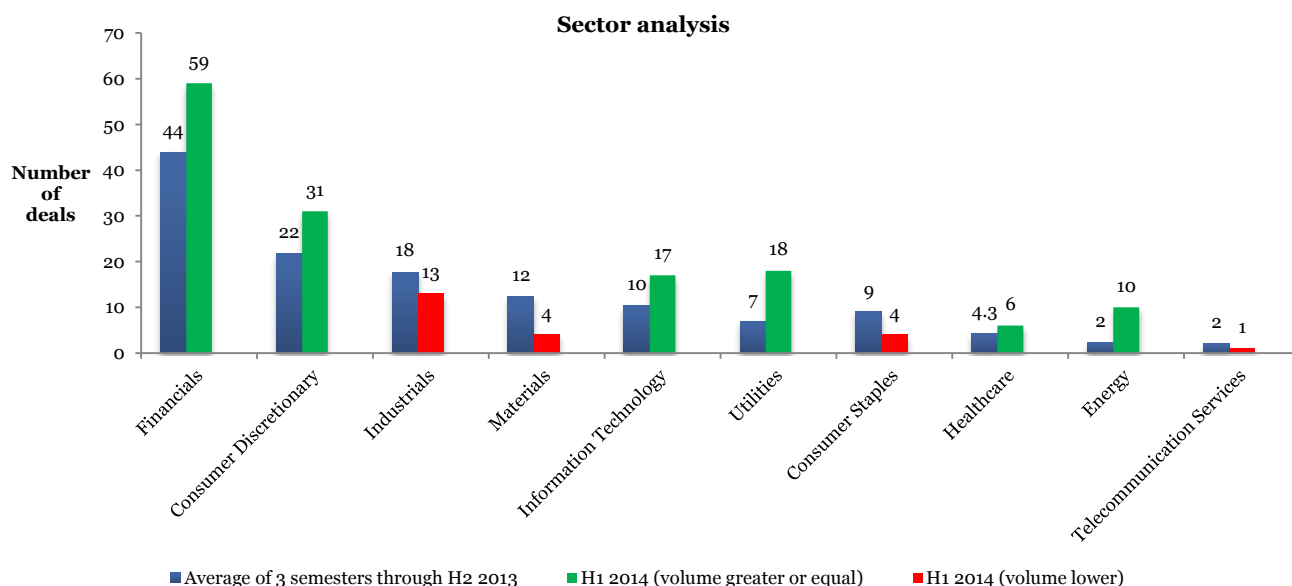
Acquisition of controlling stakes continued to represent the majority of the transactions in H1 2014. Larger-sized deals (i.e., USD 100m and more) experienced greater volume percentages in H1 2014 – this trend was especially prominent amongst deals in the financial sector.



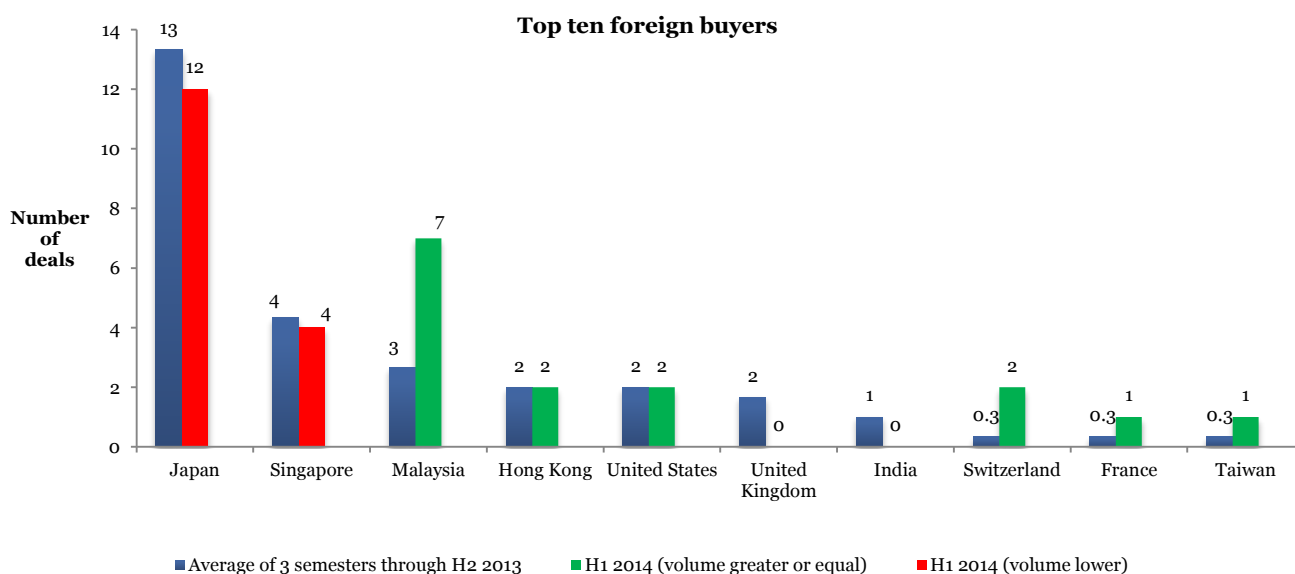
<sup>1</sup> Deals with undisclosed acquisition size represented 25.6 per cent of the total deal volume and were excluded from the analysis

## Sector Analysis

The majority of the sectors in Thailand (i.e., financials, consumer discretionary, IT, utilities, healthcare and energy) saw greater deal volumes in H1 2014 compared to the averages of the previous three semesters mainly because the deal volumes in H2 2012 and H1 2013 were very low, pulling down the overall values of the three-semester averages. The rest of the sectors (i.e., industrials, materials, consumer staples and telecommunication services) saw lower deal volumes in H1 2014 compared to the averages of the previous three semesters.



Compared to the previous three semesters, inbound deal volumes by top buyer countries in H1 2014 were generally flat with slight variations, suggesting that the overall improvements in the global economies which would supposedly boost the overall M&A activity were offset by the political uncertainties in Thailand. The only exception was Malaysia, which saw a significant increase in deal volume, possibly due to recovery of Malaysian investors' confidence from the uncertainties related to the 2013 Malaysian general election.



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

Five out of the ten deals were carried out by Japanese acquirers. Three were in the financial sector.

#	Date <sup>(1)</sup>	Target	Acquirer	Acquirer nation	Target sector	Percentage acquired	Deal value (USD m)
1	Jul-13	Bank of Ayudhya Public Company Limited (SET:BAY)	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	<b>Japan</b>	<b>Financials</b>	72%	5,287
2	Nov-12	Thanachart Life Assurance Company Limited	Prudential Life Assurance (Thailand) Public Company Limited	United Kingdom	<b>Financials</b>	100%	584
3	May-13	Asia Silicones Monomer Limited	Shin-Etsu Chemical Co., Ltd. (TSE:4063)	<b>Japan</b>	Materials	50%	148
4	Nov-13	Don Muang Tollway Public Company Limited	First Pacific Company Ltd. (SEHK:142); Metro Pacific Investments Corp (PSE:MPI)	Hong Kong	Industrials	29%	132
5	May-14	Don Muang Tollway Public Company Limited	Metro Pacific Investments Corp (PSE:MPI)	Hong Kong	Industrials	22%	101
6	Mar-14	Capital Nomura Securities Public Company Limited (SET:CNS)	Nomura Holdings, Inc. (TSE:8604)	<b>Japan</b>	<b>Financials</b>	61%	101
7	Apr-14	Silommedical Co.,Ltd.	Actavis plc (NYSE:ACT)	United States	Healthcare	100%	100
8	Mar-14	Petroleum Concession 1/2527/24, 3/2546/60 and 5/2546/62 in Thailand	Loyz Energy Limited (Catalist:594)	Singapore	Energy	20%	65
9	Aug-12	OLIC (Thailand) Limited	Fuji Pharma Co., Ltd. (TSE:4554)	<b>Japan</b>	Healthcare	100%	54
10	Oct-12	Thai Cold Rolled Steel Sheet Public Company Limited	JFE Steel Corporation; Marubeni-Itochu Steel Inc.	<b>Japan</b>	Materials	14%	50

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

### Prospective

We expect the inbound M&A activity in Thailand to remain low in the short- to medium-term as the country appears to continue to struggle to stabilize its political climate.

## Sources

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

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