

Legal Updates Mergers & Acquisitions

22 October 2019



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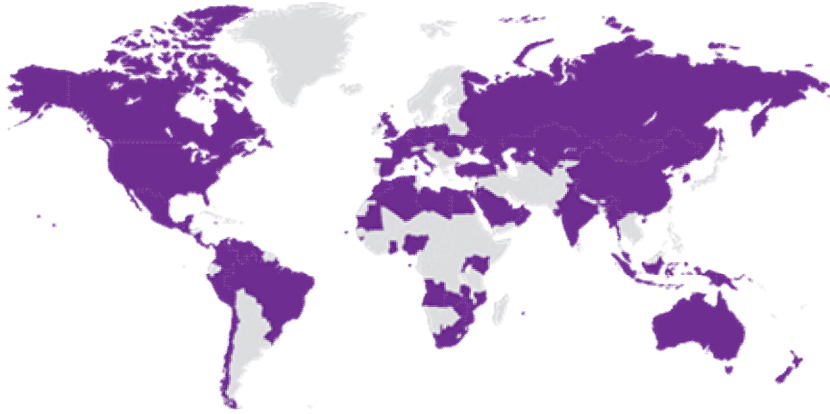
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Dentons today



10,000 Lawyers

Dentons by the numbers



Countries

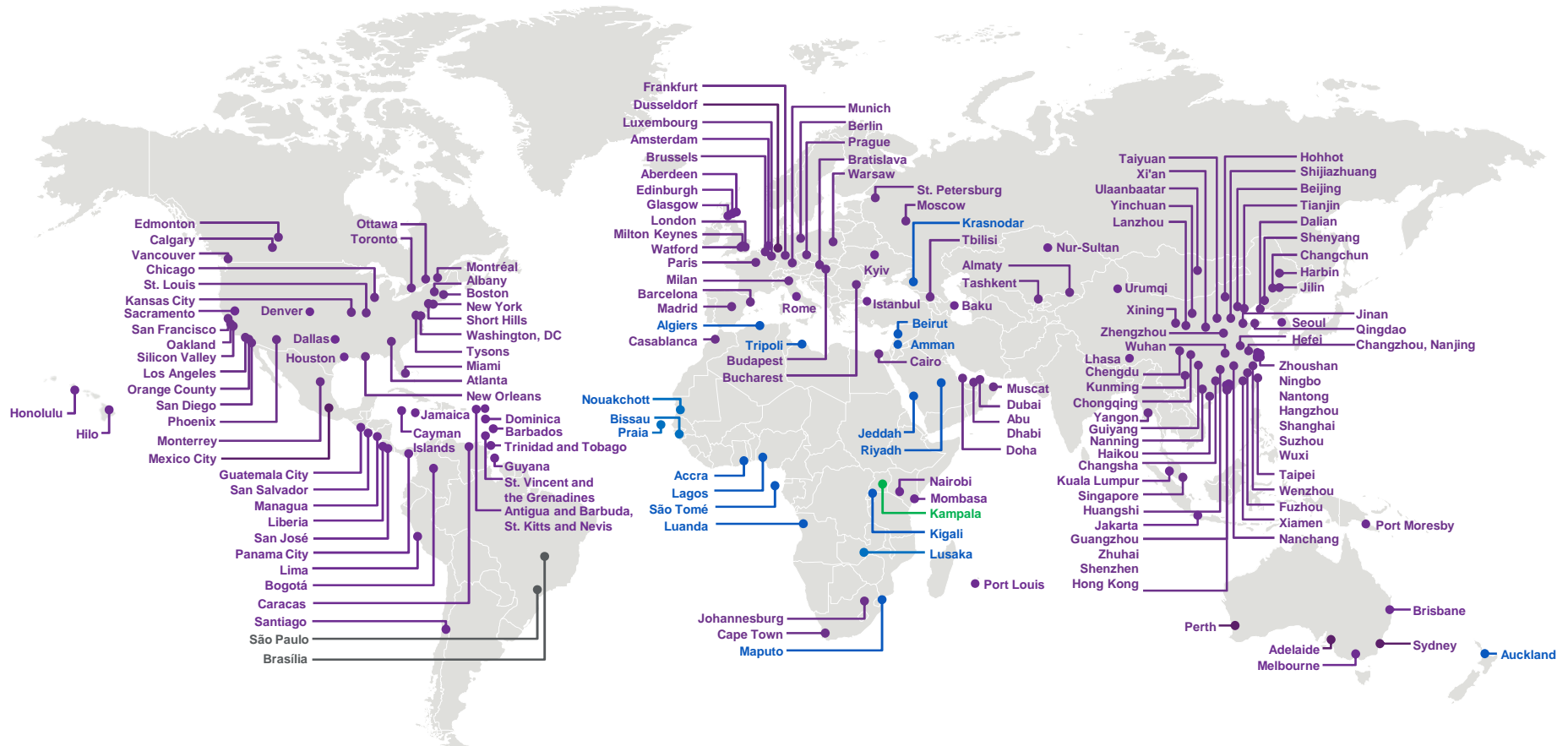
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Locations

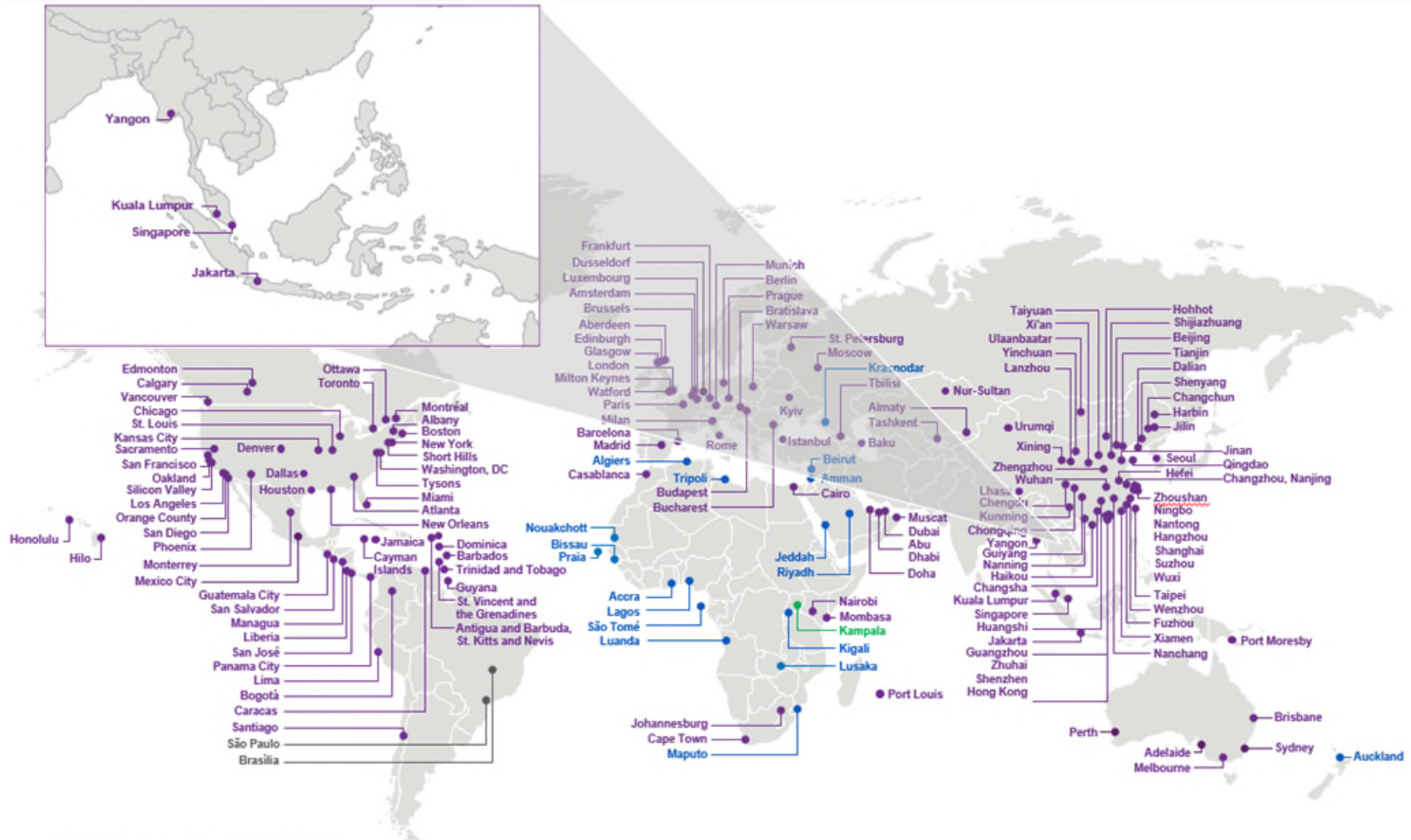
177

Global coverage



Locations in purple represent Dentons offices.
 Locations in blue represent associate firms,
 offices and special alliances.
 Locations in green represent proposed
 combinations that have not yet been formalized.
 Locations in gray represent Brazil Strategic Alliance.

Dentons ASEAN



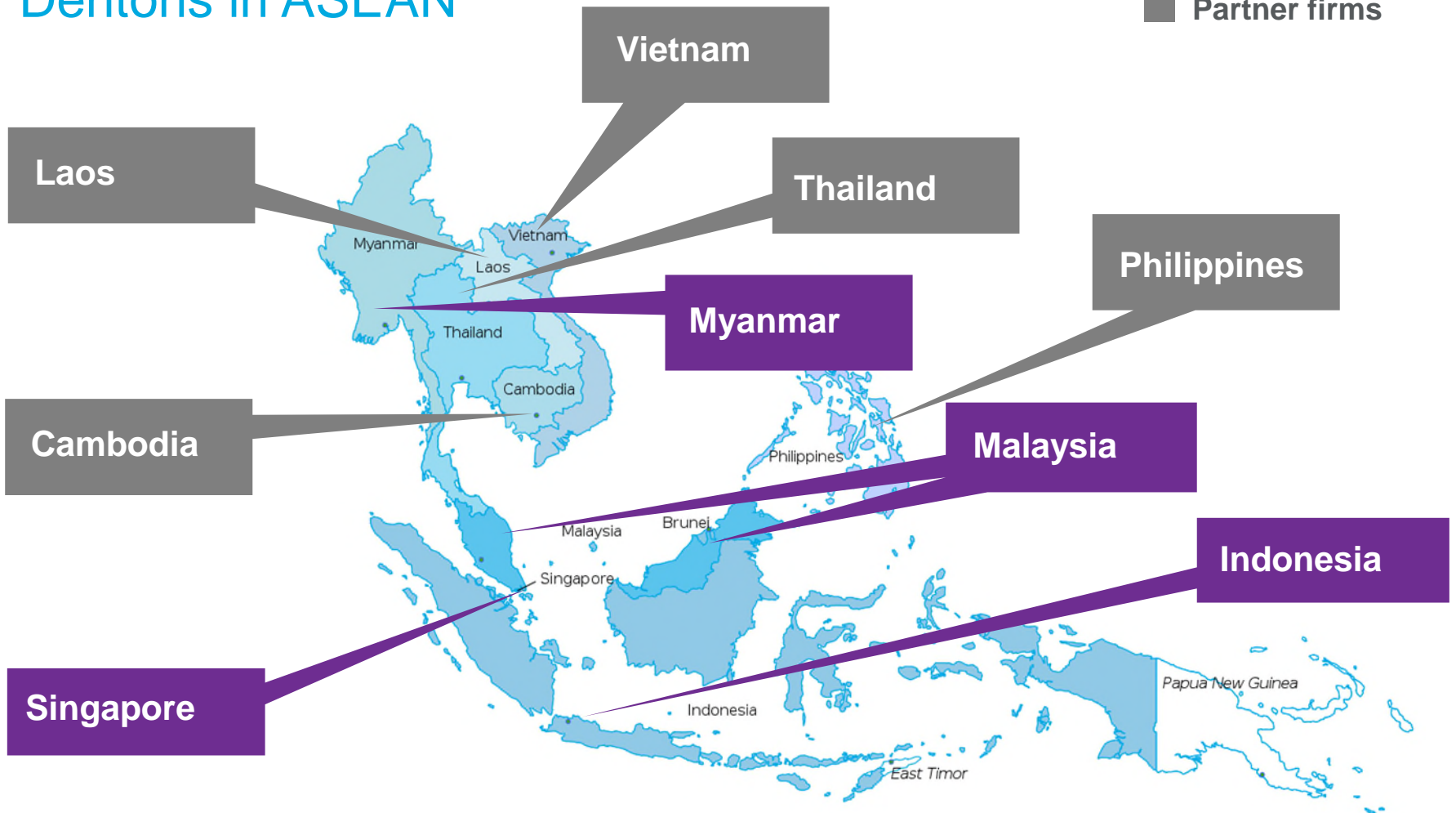
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Regional Overview

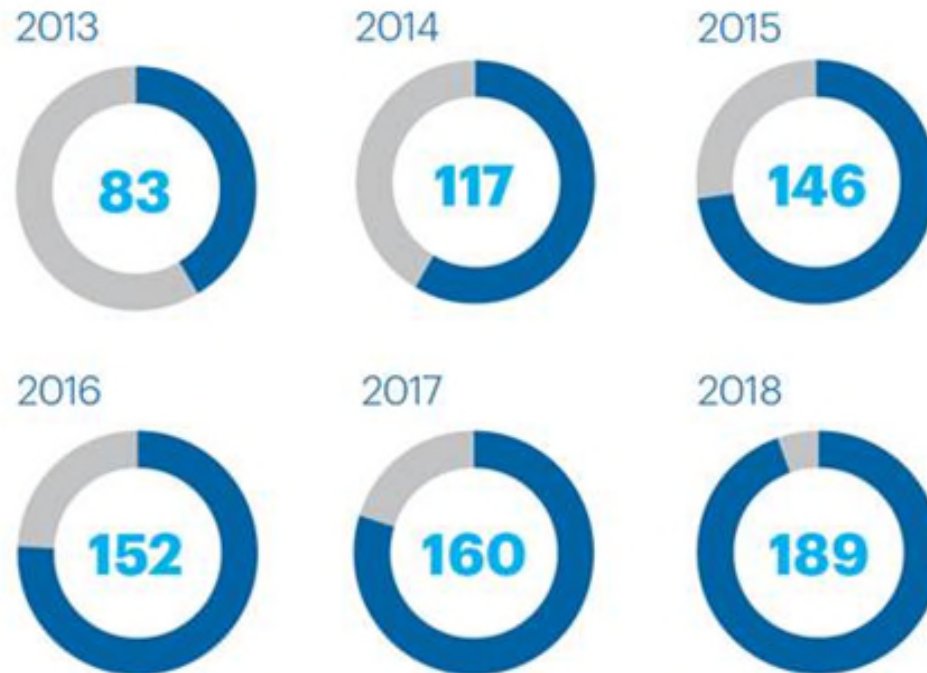
Dentons in ASEAN

 Dentons firms

 Partner firms



Of the 200 largest companies in the world, Dentons represented:



Some of our Clients

Energy/Natural
Resources



PETRONAS



Financial
Institutions



Life
Sciences/Healthcare



Real Estate



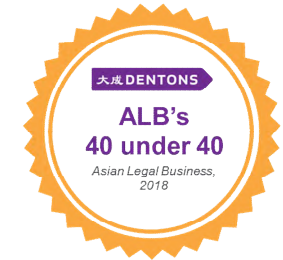
Awards and Rankings

Dentons lawyers and other professionals have consistently been recognized by the business and legal communities for exceptional client service and as leaders in law and business solutions. Our legacy firms and lawyers have received high rankings from a wide range of industry-leading publications, both regional and global, for overall excellence and for our work in key sectors and industries.



Awards and Rankings

ASIAN LEGAL BUSINESS



Managing Intellectual Property



Managing Intellectual Property IPSTARS



Awards and Rankings

Our lawyers and practices are highly ranked by the following directories:

“They are a fantastic firm to work with on all fronts – highly recommended!”

Chambers & Partners

‘The firm has a large network across the world and is able to deliver a high standard of legal services in many jurisdictions.’

Chambers & Partners



Focus Areas



Full Suite of Legal Services

- **Arbitration***
- **Banking and Finance***
- **Capital Markets***
- **Competition and Antitrust***
- **Construction***
- **Corporate***
- **Employment***
- **Energy***
- Franchising and Distribution
- **Infrastructure and PPP***
- Insurance
- **Intellectual Property and Technology**
- Islamic Finance
- Life Sciences
- **Litigation and Dispute Resolution***
- **Mergers & Acquisitions***
- **Privacy and Cybersecurity***
- Private Equity
- **Real Estate***
- **Restructuring, Insolvency and Bankruptcy***
- **Tax***
- Trusts, Estate and Wealth Preservation
- Trade, WTO and Customs
- **Transportation (includes Maritime)***
- **Venture Technology and Emerging Growth Companies***
- **White Collar and Government Investigations***

** ranked practice, where applicable*



Recent Legal Developments Conducive to the M&A Environment

Legal Developments Beneficial to the M&A Landscape

- Myanmar Investment Law
 - ❖ Established the One Stop Service (OSS)
 - ❖ MIC Permit – land use authorisation and tax exemptions
- Myanmar Companies Law
 - ❖ Foreign investors allowed to acquire shares in local companies
 - ❖ Increased clarity and transparency
 - ❖ MCL more in line with international practices

Legal Developments Beneficial to the M&A Landscape

- New IP protection laws
 - ❖ Ownership rights protected by registration
 - ❖ Centralised system of records
- Competition laws
 - ❖ Prohibits anti-competitive activities, unfair competition, abuse of market dominance, and introduces merger controls
- Dispute Resolution
 - ❖ Arbitration Law 2016
 - ❖ New York Convention

Recent Developments



- Foreign insurance providers allowed to “*to operate the business of insurance, underwriting agency or insurance broking with foreign investment*” in Myanmar
- Project Bank set up as a centralized and publicly accessible database to enable the government to coordinate with ministries and departments and prioritize proposals that are in line with the MSDP
- Decentralisation of authority to grant permission for investment projects of up to USD 5 million - state and regional investment committees and offices now share the responsibility of overseeing investment procedures

Recent Developments



- New Gambling Law allows casinos to operate in Myanmar
- Foreign investors allowed to invest in shares of YSX listed companies
- Foreign and JV companies allowed to purchase 7 categories of commodities from local export local producers / manufacturers for export subject to compliance with prescribed terms and conditions:
 - Meat and fish;
 - Value- added crops;
 - Pulp and paper
 - Seeds;
 - Refined metals
 - Semi-finished or finished fruit products; and
 - Timber based furniture



Panel Discussion

M&A - Myanmar

Panel Discussion

Josephine Price

Co-founder & Managing Director, Anthem Asia

Alexandra Vanderschelden

Director, Delta Capital Myanmar

Regional Overview

South East Asia

10 member states in ASEAN
Combined GDP of **US\$2.6 trillion**
and over **630 million people**

World's **6th** largest economy
Asia's **3rd** largest economy
World's **4th** largest exporting region



M&A Trends in ASEAN

Recent Deals

PETRONAS

Acted for Malaysian state-owned oil and gas firm Petroliam Nasional Bhd's (PETRONAS) acquisition of 100% interest in Amplus Energy Solutions Pte Ltd (also known as M+).

Red Dot Payment

Exclusive legal advisers to the founder and selling shareholders in the acquisition by PayU, the payments and fintech business of Naspers of a majority stake in Red Dot Payment.

New Businesses, New Areas – Fintech, Clean Energy

Platforms and Local Networks

ASEAN Vital Statistics

Population

650 million+

Area

4.5 million km²

Combined GDP (2017)

US\$2.8 trillion

Foreign Direct Investment inflows (2017)

3rd highest

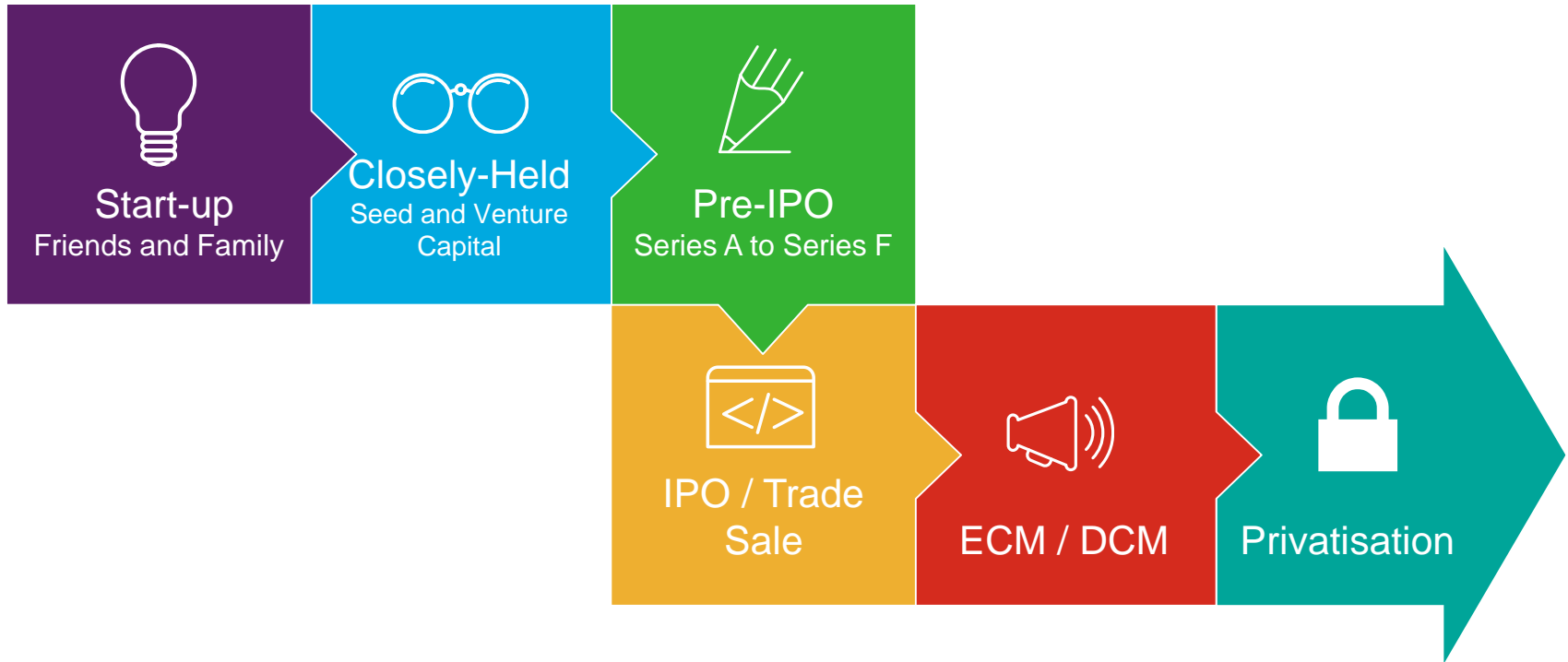
In the world

M&A Life Cycle

From Start-up to Global



From Term Sheet to IPO and Beyond

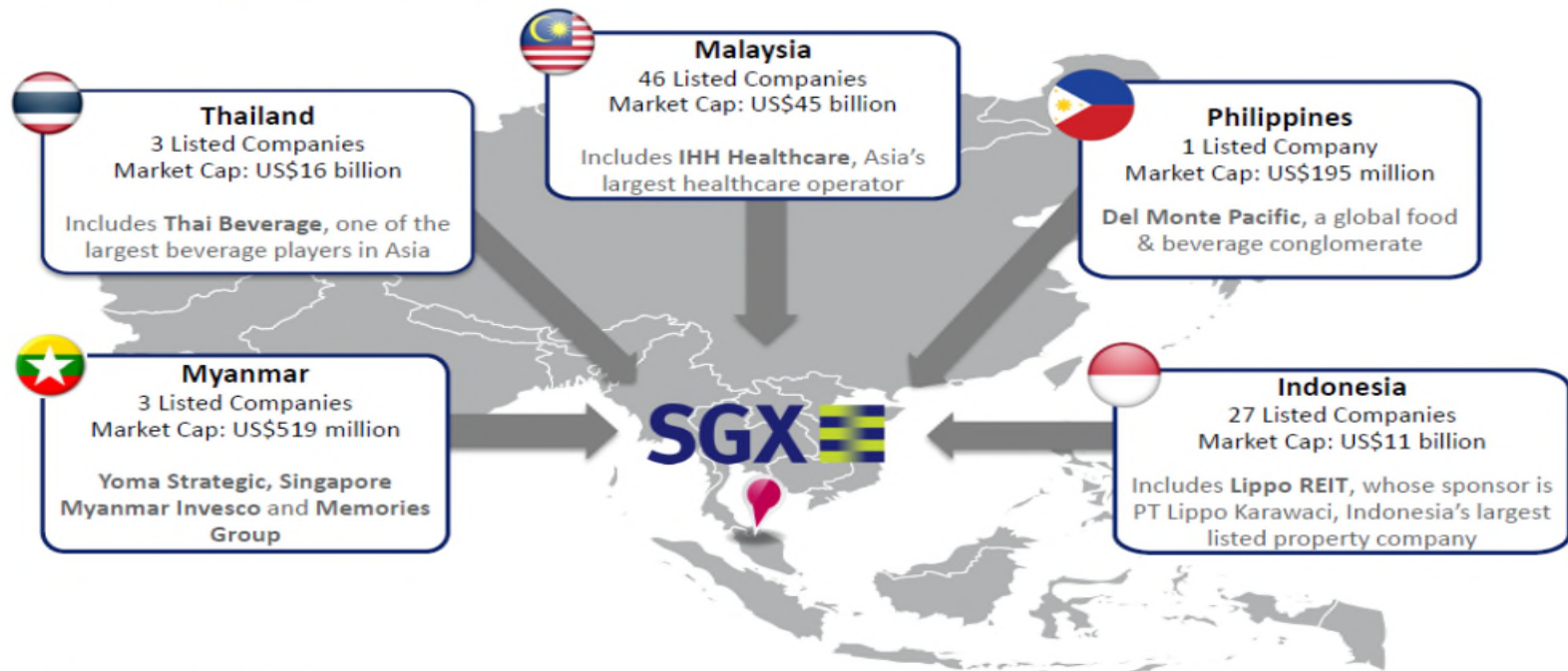




Trade Sale and Going Public Fund Raising - Singapore

Connectivity to ASEAN Economies

ASEAN is the 6th largest economy in the world today with GDP of US\$2.4 trillion. By 2050, ASEAN is forecasted to be the 4th largest economy in the world with 125 million Middle Income Households.



Source: Bloomberg and Singapore Exchange (Mar 2019)



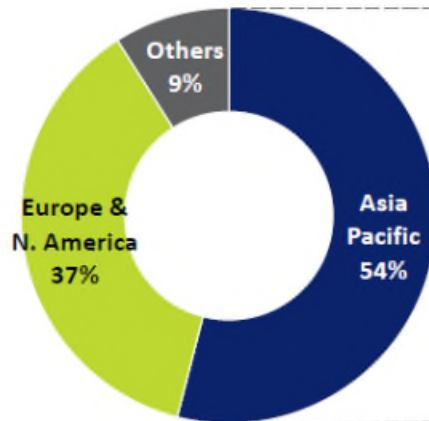
SGX is Asia's Gateway to Capital

Singapore offers a diverse range of investors, with 80% of its AUM derived from outside Singapore

Global Investors

- Aberdeen Asset Management
- Blackrock Asset Management
- Blackrock Fund Management
- Credit Suisse Asset Management
- Deutsche Asset Management
- Fidelity International
- Invesco Asset Management
- JP Morgan
- Legg Mason Global
- Morgan Stanley Investment Management
- Prudential Financial
- Schroder Investment Management
- UBS Strategy Fund Management

Source of Singapore's Foreign AUM



Chinese Investors

- QDII funds can invest in Singapore (e.g. ChinaAMC Global Selective Fund, China International Fund Management, ICBC Credit Suisse Asset Management)
- Alibaba, Bosera, CIC, Sinochem, Petrochina, Huaneng are investors in Singapore equities
- 33,000 Chinese citizens have custodian accounts with CDP

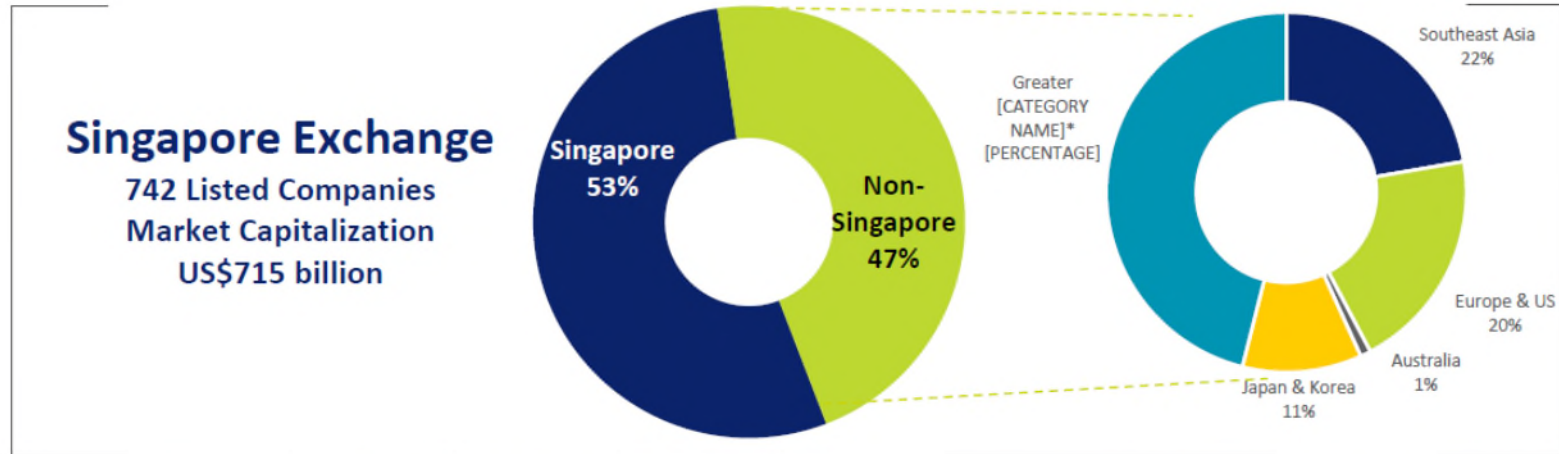
South & South East Asian Investors

- 242,000 South East Asian (excl. Singapore) citizens have custodian accounts with CDP
- 20,000 Indian citizens have custodian accounts with CDP

Source: Singapore Exchange (May 2018), MAS Annual Report (2015/2016)

SGX is the Most International Exchange

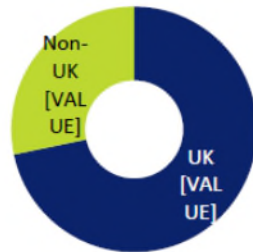
More than 45% of total market cap of companies listed on SGX are overseas companies



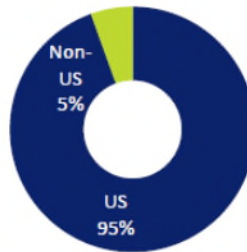
Hong Kong Stock Exchange



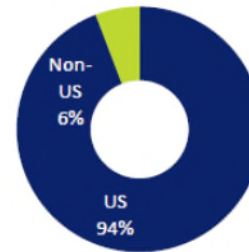
London Stock Exchange



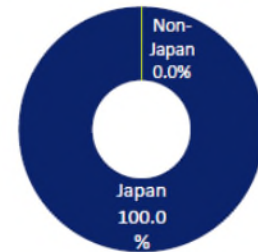
NASDAQ



New York Stock Exchange



Tokyo Stock Exchange



*Note: Greater China includes Hong Kong, Taiwan and Mainland China companies



Source: Bloomberg (Mar 2019), Singapore Exchange (Mar 2019), Exchange Websites

Top Sectors on SGX

Consumer



PE: 22x

- Includes food & beverage, retail and others
- 143 companies with market cap of US\$71 billion

Technology



PE: 21x[^]

- Wide range of companies including Information & Communication, Medical and Financial Technologies. Also includes Semicons and Media.
- 86 companies with market cap of US\$63 billion

Healthcare



PE: 21x

- Full range of companies from pharmaceuticals, healthcare services to medical devices technology
- 36 companies with market cap of US\$27 billion⁽¹⁾

Maritime, Offshore Services & Energy



PE: 13x

- Asia's largest cluster of listed companies
- 70 companies and 2 business trusts with market cap of US\$21 billion

Commodities



PB: 15x

- Includes Agri-commodities and Mineral Companies
- 30 companies with market cap of US\$28 billion

Real Estate



PB: 0.9x

- Asia's broadest range of real estate companies and property trusts covering global real estate assets
- 107 real estate companies and property trusts with market cap of US\$135 billion

Source: Bloomberg & Singapore Exchange (Mar 2019)



Note:

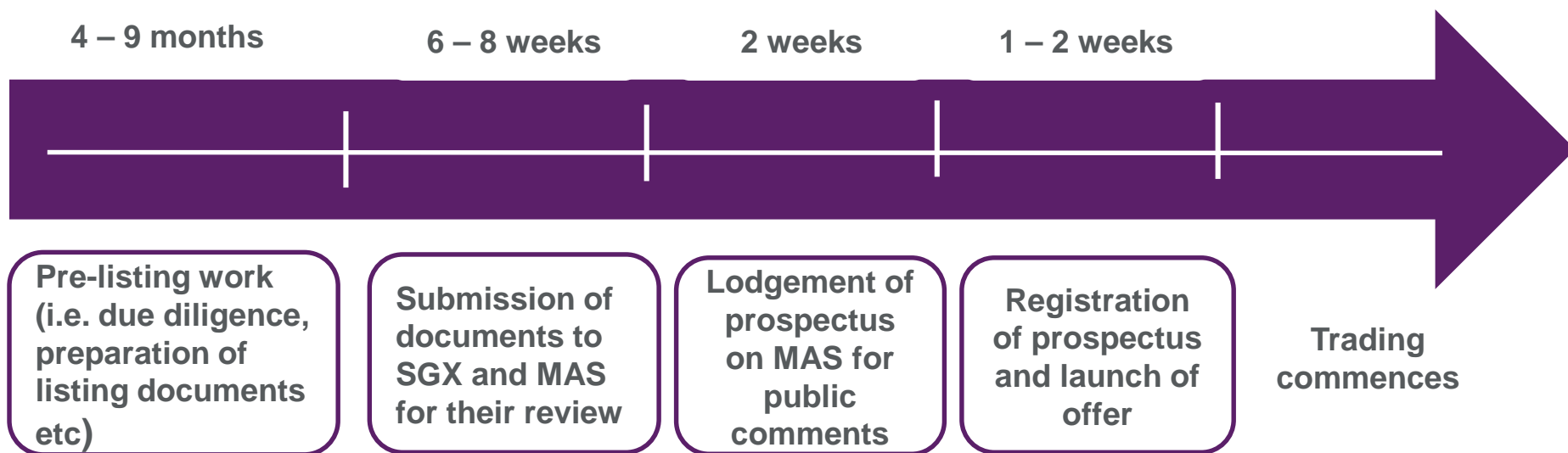
[^] Excludes the PE of telecommunication services companies by GICS sub-industry classification

*Companies with PE >100 excluded from the PE calculations for all sectors

(1) Market Cap Excludes Lonza

SGX IPO

Indicative Timeline (Main Board)



SGX IPO

Applicable Laws, Regulations and Listing Rules

- Companies Act (Cap. 50, 2006 Revised Edition)
- Securities and Futures Act (Cap. 289, 2006 Revised Edition) (SFA)
- 5th Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018
 - Particulars to be included under Section 243(1) of the SFA in a prospectus for offer of shares or units of shares
- SGX-ST Main Board Rules
- SGX-ST Catalist Rules (Section B of the Listing Manual)

SGX IPO

SFA – Criminal & Civil Liability

Section 253 of the SFA:

- If there is any false or misleading statement or non-disclosure of a material fact in a prospectus, those persons that were involved in the preparation of the prospectus will be liable to prosecution

Section 254 of the SFA:

- Civil liability in respect of false or misleading statements and non-disclosures of material facts

SGX IPO

Overview – SGX listing requirements

	Main Board			Catalist
	Alternative A	Alternative B	Alternative C	
Quantitative Criteria	At least S\$30 million pre-tax profits for the latest financial year	Profitable (pre-tax) in the latest financial year	Positive operating revenue (based on actual or pro forma) in the last completed financial year	NA
Market capitalisation	NA	At least S\$150 million	At least S\$300 million	NA
Operating track record	3 years	3 years	At least 1 year	NA
Continuity of management	3 years	3 years	At least 1 year	NA

SGX IPO

Overview – SGX listing requirements

	Mainboard	Catalist
Moratorium period	<p>Restriction on promoters sale of shares and lock-up period for pre-IPO investors and promoters²</p> <ul style="list-style-type: none"> Generally at least 6 months moratorium (100% of promoter's shareholding) + 6 months (50% of promoter's shareholding) 	<p>Restriction on promoters sale of shares and lock-up period for pre-IPO investors and promoters¹</p> <ul style="list-style-type: none"> 12 months (100% of promoter's shareholding) + 6 months (50% of promoter's shareholding)
Accounting standard	<p>Singapore Financial Reporting Standards (FRS) or International Financial Reporting Standards (IFRS) or US Generally Accepted Accounting Practices (US GAAP)</p>	

Note:

Promoters are controlling shareholders and their associates and executive directors with more than 5% of share capital at the time of IPO.

SGX IPO

Overview – SGX listing requirements

	Main Board	Catalist																																	
Issue price of the equity securities	At least S\$0.50 each	At least S\$0.20 each																																	
Requirements for independent directors	At least 3 independent directors. For foreign companies, at least 2 of these independent directors must be resident in Singapore	At least 2 independent directors. For foreign companies, at least 1 of these independent directors must be resident in Singapore																																	
Shareholding spread and distribution	At least 500 shareholders <table border="1" data-bbox="448 668 1110 1156"> <thead> <tr> <th rowspan="2">SGX - MAIN BOARD</th> <th colspan="3">PUBLIC FLOAT</th> <th>DISTRIBUTION</th> </tr> <tr> <th>Market Capitalisation (\$ million) ("M")</th> <th>Proportion of post-invitation share capital in public hands</th> <th>Number of shareholders</th> <th>Total Offer Size (\$ million) ("O")</th> </tr> </thead> <tbody> <tr> <td></td> <td>M < 300</td> <td>25%</td> <td>500</td> <td>O < 75</td> <td>At least 40% of the invitation shares or \$15 million whichever is lower, must be distributed to investors each allotted not more than 0.8% of the invitation shares or \$300,000 worth of shares whichever is lower.</td> </tr> <tr> <td></td> <td>300 ≤ M < 400</td> <td>20%</td> <td>500</td> <td>75 ≤ O < 120</td> <td>At least 20% of the invitation shares must be distributed to investors, each allotted not more than 0.4% of the invitation shares.</td> </tr> <tr> <td></td> <td>400 ≤ M < 1000</td> <td>15%</td> <td>500</td> <td>O ≥ 120</td> <td>No requirement applicable.</td> </tr> <tr> <td></td> <td>M ≥ 1000</td> <td>12%</td> <td>500</td> <td></td> <td>Notes: 1) The shareholdings of an applicant and his associates must be aggregated and treated as one single holder. 2) Preferential allotments made pursuant to Rule 234 must be excluded.</td> </tr> </tbody> </table>	SGX - MAIN BOARD	PUBLIC FLOAT			DISTRIBUTION	Market Capitalisation (\$ million) ("M")	Proportion of post-invitation share capital in public hands	Number of shareholders	Total Offer Size (\$ million) ("O")		M < 300	25%	500	O < 75	At least 40% of the invitation shares or \$15 million whichever is lower, must be distributed to investors each allotted not more than 0.8% of the invitation shares or \$300,000 worth of shares whichever is lower.		300 ≤ M < 400	20%	500	75 ≤ O < 120	At least 20% of the invitation shares must be distributed to investors, each allotted not more than 0.4% of the invitation shares.		400 ≤ M < 1000	15%	500	O ≥ 120	No requirement applicable.		M ≥ 1000	12%	500		Notes: 1) The shareholdings of an applicant and his associates must be aggregated and treated as one single holder. 2) Preferential allotments made pursuant to Rule 234 must be excluded.	At least 200 shareholders 15% of post invitation issued share capital in public ¹ hands
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Note:

Persons other than:—

- (a) directors, chief executive officer, substantial shareholders, or controlling shareholders of the issuer or its subsidiary companies; and
- (b) associates of the persons in paragraph (a)

SGX IPO

Overview – SGX listing requirements

	Main Board	Catalist
Mineral, Oil & Gas Companies	<p>A mineral, oil and gas company must be able to establish the existence of meaningful portfolio of reserves in a defined area which is substantiated by a qualified person's report prepared by an independent qualified person.</p> <p>The effective date of the qualified person's report must not be more than 6 months from the date of lodgement of the offer document.</p> <p>A mineral, oil and gas company must have at least one independent director with appropriate industry experience and expertise.</p>	<p>The SGX-ST will normally not admit a listing applicant, whose activities consist solely of exploration for minerals, oil or gas, to Catalist unless the listing applicant is able to establish the existence of resources in a defined area, which is substantiated by the qualified person's report prepared by an independent qualified person.</p> <p>The resource must be at least, in relation to minerals, categorised as an Inferred Resource and, in relation to oil and gas, as a Contingent Resource.</p>

SGX IPO

Overview – SGX listing requirements

	Mainboard	Catalist
Property Investment/ Development Companies	<ul style="list-style-type: none"> Minimum Leasehold Period: Properties that have remaining leases of less than 30 years must not, in aggregate, account for more than 50% of the group's operating profits for the past three years. <ul style="list-style-type: none"> If the property is located in a jurisdiction outside Singapore, the Exchange may require or accept a different remaining length of lease as a basis for this rule. Independence of Valuer: An issuer must appoint an independent external valuer to conduct a valuation of all its principal freehold and leasehold properties Valuation Report: The valuation report must state the effective date at which the properties are valued, which should not be more than six months from the date of the application for listing. 	

Transfer from Catalist to SGX Mainboard

- Has been listed on SGX Catalist for at least 2 years
- Meets the minimum quantitative requirements below and any other listing requirements that the Exchange may prescribe (either generally or in any particular case)

	Mainboard		
	Alternative A	Alternative B	Alternative C
Quantitative Criteria	At least S\$30 million pre-tax profits for the latest financial year	Profitable (pre-tax) in the latest financial year	Positive operating revenue (based on actual or pro forma) in the last completed financial year
Market capitalisation	NA	At least S\$150 million	At least S\$300 million
Operating track record	3 years	3 years	At least 1 year
Continuity of management	3 years	3 years	At least 1 year

Your Speakers



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Thank You



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