

# 9<sup>th</sup> ANNUAL BEST DEAL & SOLUTION AWARDS

BY THE EDITORIAL TEAM

**W**e are pleased to announce the outcome of the ninth Annual Deal & Solution Awards 2015, as we celebrate our tenth anniversary next month as a purely 'Southeast Asia-focused' magazine in January 2016. We have grown and so have the number of banks participating in this year's awards process. Over 60 leading commercial and investment banks submitted over 200 deals and solutions for review and evaluation.

Using a fair, robust and informative methodology and after adding a number of additional criteria to existing awards to tighten its eligibility among both, local and foreign banks in Southeast Asia, we have published the full rationale of the awards outcome in the following pages. There are 30 award categories this year.

The aim of these awards remain to recognize the best and most innovative corporate-centric investment & commercial banking solutions in the region and unlike other regional awards, most transactions are led-managed by local banks in Indonesia, Malaysia, Philippines, Singapore, Thailand & Vietnam making this the first and only deal award to recognize their ability to act and execute noteworthy deals on their own with and/or without the help of bulge bracket global firms.

The only two exceptions where foreign banks played a dominant role were the Petronas' US\$5 billion conventional bonds and global Sukuk and DBS's US\$1 billion covered bonds.

The joint bookrunners for the Petronas' US\$5 billion conventional bonds and global Sukuk were BoA Merrill Lynch, Citi, Deutsche Bank, HSBC, JP Morgan, Morgan Stanley, Mitsubishi Financial Group as well as two local banks, CIMB and Maybank providing its crucial onshore

Islamic financing capabilities. This deal also stood out as the longest tenor and largest size issue for a Malaysian corporate to-date thus serving the local regulator's aim in contributing to the further development of the local bond markets in Malaysia, let alone Asia.

In the case of DBS' US\$1 billion Covered bonds, the joint global coordinators were Deutsche Bank, JPMorgan Chase and Societe General providing its technical and regulatory expertise in the area of Covered bonds while DBS Bank, a dominant local debt house acted on behalf of the credit itself.

From discussing to allaying regulatory concerns by ensuring a proper framework is developed to cater to this new asset class, bankers involved in this transaction were meticulously involved in the structuring of the transaction and continued to lend their support past the developmental stage well into the offering, marketing and trading stages of this brand new asset class – targeted towards predominantly Asian as well as global investors.

Meanwhile for CP All's THB 20 billion (US\$ 615 million) unsecured debt, the joint lead arrangers & bookrunners were Bangkok Bank, Bank of Ayudhya, KrungThai Bank, Phatra Securities, Siam Commercial Bank, Thanachart Bank as well as Standard Chartered Thailand, which given its history and track record is just as well seen as a local player given how it has a natural tendency of appearing on the term-sheets of some of the most ground breaking deals in Thailand.

For the Ministry of Finance at the Kingdom of Thailand's THB85 billion (US\$2.5 billion) Bond Switching Issue, Bangkok Bank, Kasikornbank and none other than



Standard Chartered Thailand acted as joint lead managers.

In Malaysia, Sunway Construction's RM 550 (US\$147 million) IPO, RHB Investment Bank acted as sole principal adviser, joint global coordinator, joint bookrunner & joint underwriter while Maybank Investment Bank acted as joint global Coordinator, joint bookrunner & joint underwriter and HSBC played the role of joint bookrunner.

Given how the banks involved cleverly priced this issue, enabling investors to walk away with profits post-listing, the award for Best IPO of the Year for Retail Investors in Southeast Asia goes to Sunway Construction's RM 550 (US\$147 million) IPO.

In Singapore, the joint arrangers for one of the most uniquely structured vanilla loans of the year in Southeast Asia for Milano Central, Roma Central & Verona Central's S\$2.1 billion loan were DBS Bank, OCBC Bank and

Sumitomo Mitsui Banking Corp, the only foreign bank with an active participatory role in the transaction.

There were also at least two other notable transactions in Southeast Asia in which foreign banks played an equally important role, along with their domestic counterparts in bringing the respective deals to fruition. In fact in 2015, there were a number of transactions in which both, local Asian banks and global foreign banks either played an equal role in each of the following respective transactions or foreign banks in their respective deals played a key role but were supplemented in a big way by a Southeast Asia-based investment bank. These transactions include:

Jasmine Broadband Internet Infrastructure Fund's US\$1.7 billion IPO where the joint bookrunners were Morgan Stanley and Bualuang Securities in Thailand; In Singapore the S\$6.8 billion Delisting of Keppel Land

by Keppel Corporation where both DBS Bank and Credit Suisse acted as joint financial advisers.

Also, in Singapore, the S\$1.56 billion Acquisition by Perennial Real Estate Holdings by St. James and S\$574 million Pre-Conditional Voluntary Offer in Perennial China Retail Trust was led by DBS Bank & Standard Chartered that acted as Joint Financial Advisers for a transaction that has generated substantial stakeholder value for all parties involved. In all three distinct transactions above, the various banks involved helped developed a firm defensible pricing strategy, overcoming regulatory and shareholding hurdles and brought the deals to a successful close.

In Malaysia, Malaysia Airports Holdings' RM 1 billion (US\$230 million) Perpetual Subordinated Sukuk where Citi acted as joint coordinator, joint lead arranger, joint lead manager and joint bookrunner while HSBC Amanah, CIMB Investment Bank and Maybank Investment Bank acted joint principal advisers, joint lead arrangers, Joint Lead Managers and joint bookrunners for this landmark Perpetual Sukuk.

Not to be outdone, the following three deals in Southeast Asia perhaps best illustrate how local banks have in fact begun flexing their muscles in their home turfs and while foreign banks may or may not even be part of a consortium of managers co-managing the deal, local banks are increasingly taking a lead or completing the transactions successfully on their own from start to finish.

On the Islamic REIT front, Al Salam REIT's RM 252 million (US\$57 million) IPO where RHB Investment Bank acted as the sole principal adviser, sole global coordinator, sole underwriter and joint placement agent while Maybank Investment Bank acted as the joint placement agent for this transaction - awarded the Best Islamic REIT Deal of the Year in Southeast Asia, given how this provides investors with an alternative yield play given its portfolio concentration in key landmark properties across Kuala Lumpur, Malaysia.

Then there are a small number of large equity offerings in 2015 that have either fallen below their debut prices on the day of the stock offering or since the public listing. However there were at least 2-3 three landmark transactions that outperformed most other offerings let alone the fact that most notably, featured pure Asian banks on the term sheets and deal tombstones, a clear evidence of how Asian banks are ready to place their mark on Asian investment banking. One such transaction took place in Thailand.

The listing of North Bangkok Power Plant Block 1 Infrastructure Fund's THB 20.8 billion (US\$558 million) IPO was remarkably led by Siam Commercial Bank, that acted as the sole lead underwriter and financial adviser on the Best IPO Deal of the Year in Southeast Asia, in a year which has seen most large IPOs falter well under their debut prices at the time of writing, let alone the fact that not a single foreign bank was involved in bringing this deal to the market.

This transaction has also has no doubt successfully setup a viable benchmark or template for a number of upcoming state backed infrastructure spin-offs, helping deepen the local equity capital markets further.

While on the subject of notable transactions led by a single local financial institution, a number of banks appear to have developed the in-house capabilities to run deals on their own accord. In Malaysia, MMC's Corp inaugural RM 1.2 billion (US\$278 million) Sukuk has been awarded the Best Islamic Finance Deal Of The Year In Southeast Asia. RHB Investment Bank acted as sole principal adviser, sole lead arranger & sole lead manager on this unique transaction, illustrating how RHB Investment Bank is remerging as a preferred leading fixed income and Sukuk house among public and private sector Malaysian credits.

In the Philippines, SBS Philippines Corp's PHP 1.2 billion (US\$25.2 million) IPO is awarded the Best Small Cap Equity Deal of the Year in Southeast Asia where

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**BEST IPO DEAL OF THE YEAR 2015 IN  
SOUTHEAST ASIA**


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**NORTH BANGKOK POWER PLANT  
BLOCK 1 INFRASTRUCTURE FUND'S THB  
20.8 BILLION (US\$558 MILLION) IPO**
**• Sole Lead Underwriter and Financial Adviser:**

Siam Commercial Bank

In a year where equity markets in almost every single emerging market has seen great deal of volatility let alone outgoing flows, one can be forgiven to assume 2015 is perhaps not the best year to launch any form of primary or secondary offering, regardless of size. Not if you are in Thailand. While The Stock Exchange of Thailand has seen periodic outgoing flows and a number of IPOs have been affected, companies with solid fundamentals as well as a clear investor communication strategy have been shielded from the global equity market carnage. As one of the largest IPOs in Thailand in 2015 and the country's first SET-listed state-enterprise infrastructure fund, the Electricity Generating Authority of Thailand (EGAT)'s North Bangkok Power Plant Block 1 Infrastructure Fund (EGATIF) IPO in July stood out across Southeast Asia let alone Asia Pacific. Offering stable returns in a year that has seen anything but, it did not take much convincing to persuade institutional investors such as life-insurance companies and pension funds as well as retail investors in Thailand to buy into EGATIF units. The fund is similar to government bonds, posing low risk but reasonable returns. Based on a calculation by the Securities and Exchange Commission, the fund pays a dividend of 8.5 per cent per annum, twice a year and has a dividend-pay-out policy of at least 90 per cent of its adjusted net profit. Krungthai Asset Management is the fund manager, while Siam Commercial Bank is financial adviser and underwriter. Following the IPO, there are now three sizeable unit holders of the fund: EGAT, which has committed to hold 25 per cent of EGATIF for at least five years; Thai Life Insurance at 11.99 per cent and EGAT Saving and Credit Cooperative at 8.34

per cent. The infrastructure fund worth THB 20.86 billion (US\$558 million), trading under the ticker symbol EGATIF, saw its shares open at THB 10.50, 5 per cent above its IPO pricing of THB 10 (US\$0.28) per unit, before climbing to peak at THB 10.90 (US\$0.30). The price closed at THB10.40 (US\$0.29), with total daily trading volume of 36.92 billion units. Perhaps just as importantly, at the time of going to print in late December the share price remains in positive territory, unlike most other large IPOs in the region.

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**BEST IPO OF THE YEAR 2015 FOR RETAIL  
INVESTORS IN SOUTHEAST ASIA**


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**SUNWAY CONSTRUCTION'S RM 550  
MILLION (US\$147 MILLION) IPO**
**• Sole Principal Adviser, Joint Global**

**Coordinator, Joint Bookrunner and Joint**

**Underwriter:** RHB Investment Bank

**• Joint Global Coordinator, Joint Bookrunner and**

**Joint Underwriter:** Maybank Investment Bank

**• Joint Bookrunner:** HSBC

While Malaysian financial markets have received all forms of negative press coverage in the international press over the last two years from the 1MDB issue, there have been bright sparks in Malaysia not as much publicised but just as well notable. One such issue is the landmark public listing of Sunway Construction Group, a leading integrated construction company in Malaysia principally involved in building and civil and infrastructure construction services. The company successfully raised RM550.2 million (US\$147 million) via its IPO, making it one of the largest construction sector IPO in Southeast Asia since 2012, the second largest IPO in Malaysia for 2015 and the largest pure play construction company listed on Bursa Malaysia by revenue. Ten high quality domestic cornerstone investors subscribed for an aggregate of 135 million shares, or 70.4 percent of the total institutional offering (excluding MITI tranche). These cornerstone investors anchored the transaction and provided significant momentum required for the IPO. The

offering was a resounding success, with the institutional book-building tranche 5.6 times covered at the top end of the indicative price range while demand for the retail tranche was 2.7 times in excess of the shares available. Despite the volatile market conditions during the offering period, the IPO was priced at RM 1.20 per share, the top end of the indicated price range of RM 1.15 to RM 1.20 per share. There were over 45 investors in the institutional book with demand highly skewed towards long only funds, which contributed 71 percent of total demand. As a result, long only funds were allocated 89 percent of the total shares from the book-build tranche. On listing day, the company's share price opened at RM 1.27 and rose to a high of RM 1.32, a 6 percent and 10 percent premium respectively to its IPO price of RM 1.20. At the time of going to print in late December, the share price was trading at RM 1.41, summing up why this remains one of the best mid-sized, fundamentally strong IPOs for retail investors given the stable returns it has to offer.



The economic outlook for Malaysia remains bleak and yet some companies like Sunway Construction have managed to brave these market conditions and outperform in its IPO

## BEST SMALL CAP EQUITY DEAL OF THE YEAR 2015 IN SOUTHEAST ASIA

### SBS PHILIPPINES CORP'S PHP 1.2 BILLION (US\$25.2 MILLION) IPO

• **Sole Issue Manager, Lead underwriter and Bookrunner:** BDO Capital & Investment Corp

While equity markets have generally underperformed for the last two to three years, Philippines is among half a dozen countries around the world that today still offer value to investors, large and small, local and regional. As an example, emerging small-cap company, SBS Philippines successfully raised PhP1.15 billion (US\$25.2 million) from the Philippines Stock Exchange in August 2015. SBS Philippines Corporation, one of the major chemical trader-distributors in the Philippines, supplies a diverse customer base of more than 1,800 customers with over 3,000 chemical products sourced from more than 500 suppliers worldwide. While this was a small-sized issue, the immediate shareholder value generated from the issue following the public listing best demonstrates how the country remains a great investment destination for incoming portfolio funds. SBS Philippines's market capitalisation rose to PHP3.30 billion (US\$72.1 million) post-initial public offering or almost three times as much as when it was launched during the day. Prior to the IPO, the offering was oversubscribed by nine times with much of the demand coming from a mix of long-term investors, as well as retail and foreign buyers. Within a few minutes of its debut, the stock price rose to a ceiling of PHP 4.12/share (US\$0.09/share), and hit another ceiling of PHP 6.18/share (US\$0.13) the day after. This however was not the result of market speculators or day traders influencing the trade but the continuous unabated rise of the stock since its listing in August 2015 - from PHP 2.75 (\$0.06) per share to PHP6.24 per share at the end of December, given the company's strong business fundamentals. As of end September 2015, SBS Philippines reported a net