

Transaction Trail

A look at mergers, acquisitions, private equity / venture capital deals
and initial public offerings in Singapore, Malaysia and Indonesia

Annual Issue 2016



Disclaimer

Duff & Phelps's Transaction Trail is compiled from various information sources, including but not limited to industry sources and press and media releases. Duff & Phelps is not responsible for the accuracy or completeness of these information sources. All transactions are shown as reported without independent verification.

Annual Issue 2016 – Duff & Phelps's *Transaction Trail* is compiled based on the deal information available during the January 1 to November 30, 2016 period.

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Welcome Note

We are extremely pleased to present our fifth Annual Issue of Transaction Trail and would like to express deep gratitude to our readers for their continued support and encouragement. This report covers mergers & acquisitions (“M&A”), private equity/venture capital investments (“PE/VC”) and initial public offerings (“IPOs”) in Singapore, Malaysia and Indonesia (the “region”) for 2016.¹

We saw a record year of M&A deals in 2015 in the global market as well as in Singapore. Though we have not seen similar historical deal making levels this year, the activity has been fairly healthy, with about 35,192 transactions globally, valued at over US\$ 3.1 trillion for 2016. (Source: Bloomberg).

The regional activity in 2016 has come a close second to the historic highs of 2015, recording a total deal activity of US\$ 112 billion from 1,308 deals in M&A, PE/VC and IPO.² Singapore has been at the helm of M&A deal-making, driving a value of US\$ 83 billion, compared to US\$ 101 billion for 2015. In 2016, there have been over 20 deals with values in excess of US\$1 billion compared to 13 for 2015.

Approximately, more than two third of the M&A values in Singapore have come from outbound acquisitions. The sustained momentum of transaction activity from the Sovereign Wealth Funds (SWF's) has contributed to such deal values. Real Estate has overtaken Technology (which has moved to the 3rd place) as the top sector, followed by Industrials. The top 3 sectors accounted for 65% of total M&A deal values.

The PE/VC investments in Singapore have seen the highest investment value in the last 5 years with 100 deals with an aggregate value of US\$ 3.5 billion in 2016 compared to 81 deals valued at US\$ 2.2 billion for 2015. Unlike 2015 and 2014 when PE/VC transactions were mostly buy-outs, most of the top PE/VC transactions in 2016 have been investments in minority stakes. Technology continues to be the top sector attracting investments this year.

The IPO market activity has seen a pick-up in 2016 with the Singapore Exchange listings raising a capital of US\$ 1.9 billion, compared to US\$ 450 million in 2015. However, this is lower than the capital raised in the previous few years.

Malaysia has seen a bounce back in deal activity with deals in M&A, PE/VC and IPO valued at US\$ 15.6 billion in 2016 compared to US\$ 9.7 billion for 2015.

Indonesia has witnessed a dramatic increase in deal values at US\$ 10.8 billion for 2016, driven by large transactions in the mining, resources and energy sectors, compared to US\$ 2.8 billion for 2015.

The outlook for M&A deals going forward has two facets to it – what the statistics say and what the sentiments are. The statistics likely indicate a good pipeline for deals, a continued focus on cross-border acquisitions, an increased share of global deals in Asia, cost of funds remaining relatively cheap and the availability of huge amount of dry powder that can be deployed for buy-out or PE backed deals. However, the sentiments are rather negative at the moment. This stems from the effects of Brexit, an unusual U.S. Presidential election, the fundamentals of democracy revisited in several countries, slow recovery in the energy sector, several liquidations and bankruptcy situations in the marine, offshore and oil & gas sectors, and other uncertainties looming ahead. Adding to these are the increasing regulatory requirements and an unfavorable tax-planning environment. It will be interesting to see how deal making will shape up for 2017, and to what extent restructuring would contribute to the transactions landscape going forward in our current times of uncertainty.

We hope you enjoy reading this issue and look forward to your feedback.



Srividya C. Gopalakrishnan
Managing Director
Duff & Phelps Singapore Pte Ltd

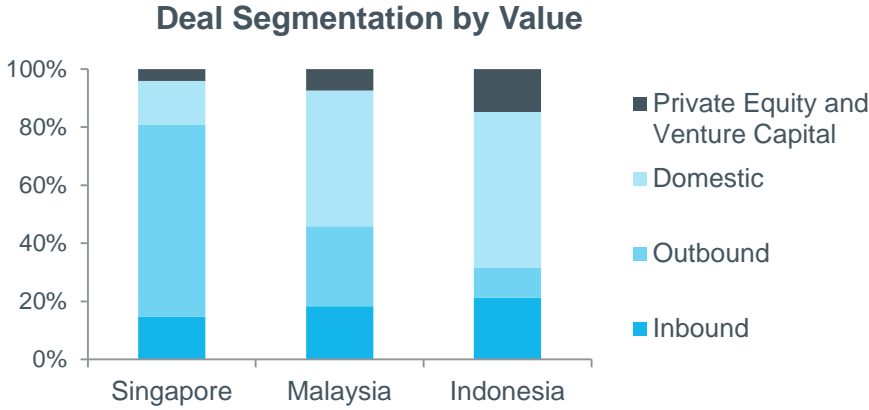
¹ January 1 to November 30, 2016

² Source: Duff & Phelps Analysis

2016 Deal Round-Up

Deal Summary	Singapore		Malaysia		Indonesia		Grand total	
	Deal Vol.	Deal Value (US\$' mn)	Deal Vol.	Deal Value (US\$' mn)	Deal Vol.	Deal Value (US\$' mn)	Deal Vol.	Deal Value (US\$' mn)
2016 (YTD Nov' 16)								
Inbound	167	12,623.8	104	2,816.7	76	2,110.3	347	17,550.8
Outbound	318	57,043.9	57	4,242.1	13	1,025.6	388	62,311.6
Total Cross border	485	69,667.7	161	7,058.8	89	3,135.8	735	79,862.4
Domestic	199	13,044.5	214	7,194.2	42	5,314.1	455	25,552.8
Total Merger and Acquisitions	684	82,712.3	375	14,253.1	131	8,449.9	1,190	105,415.2
Regional Deals							83	2,742.6
Net Total Mergers and Acquisitions							1,107	102,672.6
Private Equity and Venture Capital	100	3,503.5	27	1,135.2	33	1,474.5	160	6,113.2
Total M&A, PE and VC	784	86,215.7	402	15,388.3	164	9,924.4	1,267	108,785.8
Initial Public Offerings (IPOs)	16	1,893.1	11	213.8	14	906.8	41	3,013.7
Total M&A, PE and VC, IPOs	800	88,108.9	413	15,602.1	178	10,831.1	1,308	111,799.5

PE/VC investment in Singapore in 2016 has been the highest in the last five years. Indonesia witnessed a surge in M&A deal values compared with 2015.



Deal Highlights

A total of 1,308 M&A, PE/VC, IPO deals were recorded in the region in 2016 with a combined value of US\$ 111.8 billion.

Singapore recorded a total M&A deal volume of 684 deals during this period, valued at US\$ 82.7 billion, compared to US\$ 101.2 billion in 2015. Outbound deals accounted for about 66.2% of the total deal value compared to 80% for 2015, followed by domestic deals which contributed to 15.1% of the total deal value compared with 8% for the full year 2015. Inbound deals accounted for 14.6% of total transacted value.

During the same period, Singapore witnessed 100 PE and VC investments amounting to approximately US\$ 3.5 billion.

Malaysia recorded a total of 375 M&A deals during the year, valued at US\$ 14.25 billion, where domestic deals comprised approximately half (at 46.8%) of the total transacted value.

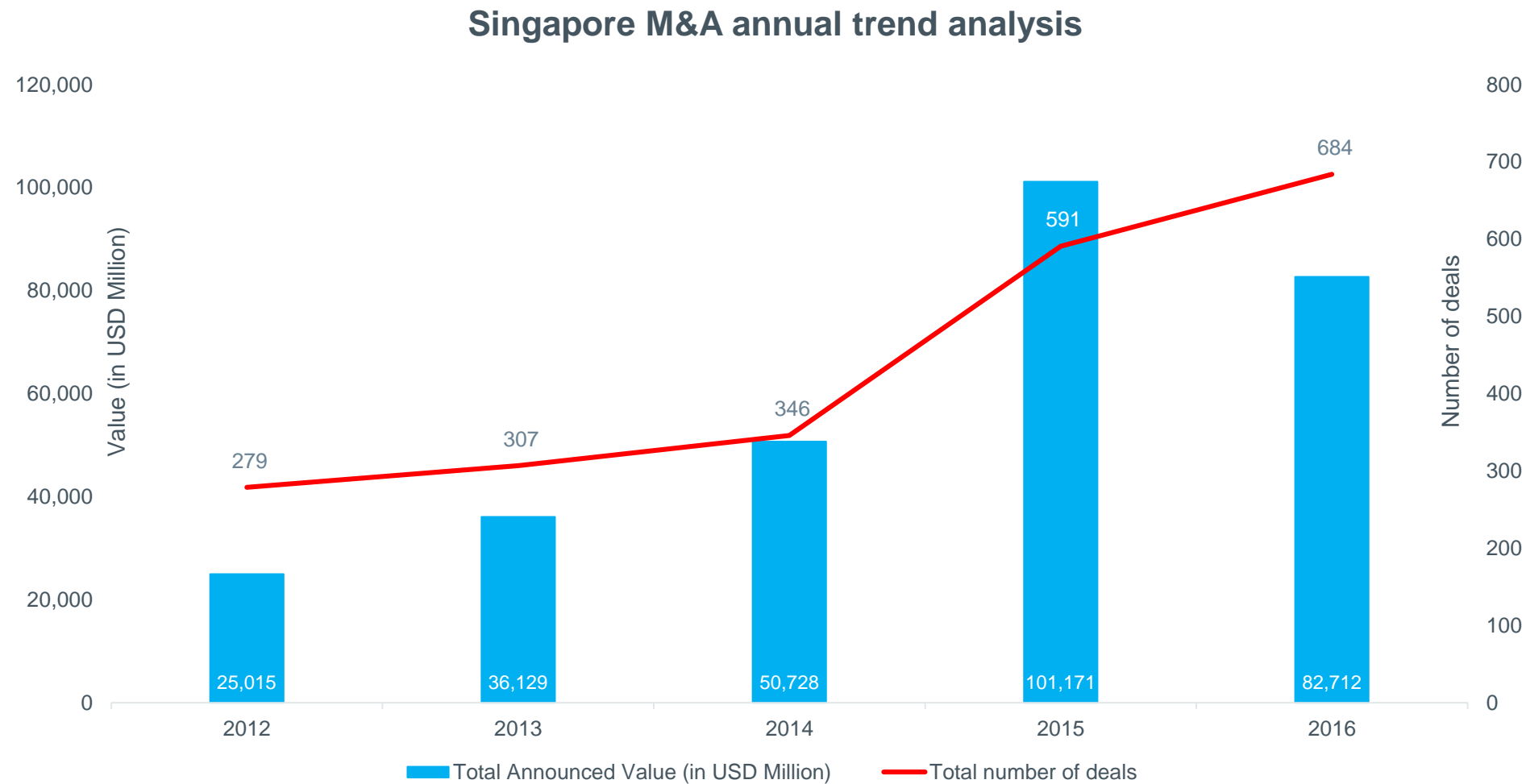
Indonesia has experienced a rampant growth in M&A activity with transaction value close to US\$ 8.5 billion as compared to US\$ 1.6 billion in our 2015 Transaction Trail annual report.

PE/VC in the region showed a significant growth in the level of activity in 2016, with a total transacted value of US\$ 6.1 billion with 160 deals as compared to US\$ 2.7 billion with 128 deals in 2015.

IPO listings in Singapore saw a substantial increase this year, with IPO capital raised in 2016 amounting to approximately US\$ 1.9 billion compared to US\$ 450.7 million in 2015.

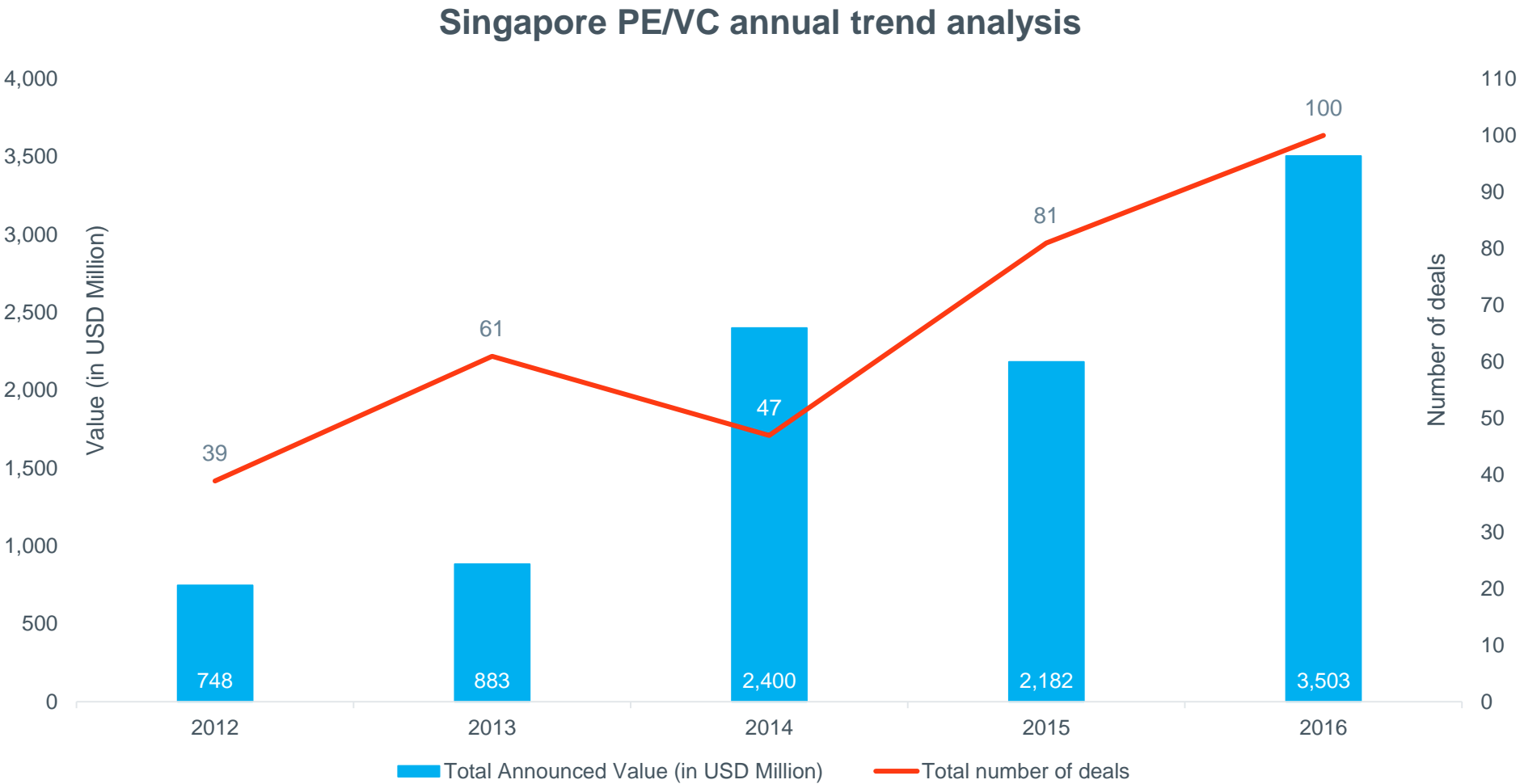
2016 Deal Round-Up

M&A deal volume has improved steadily year on year but 2016 M&A deal values are below the levels reached in 2015 on account of a reduction in average deal size.



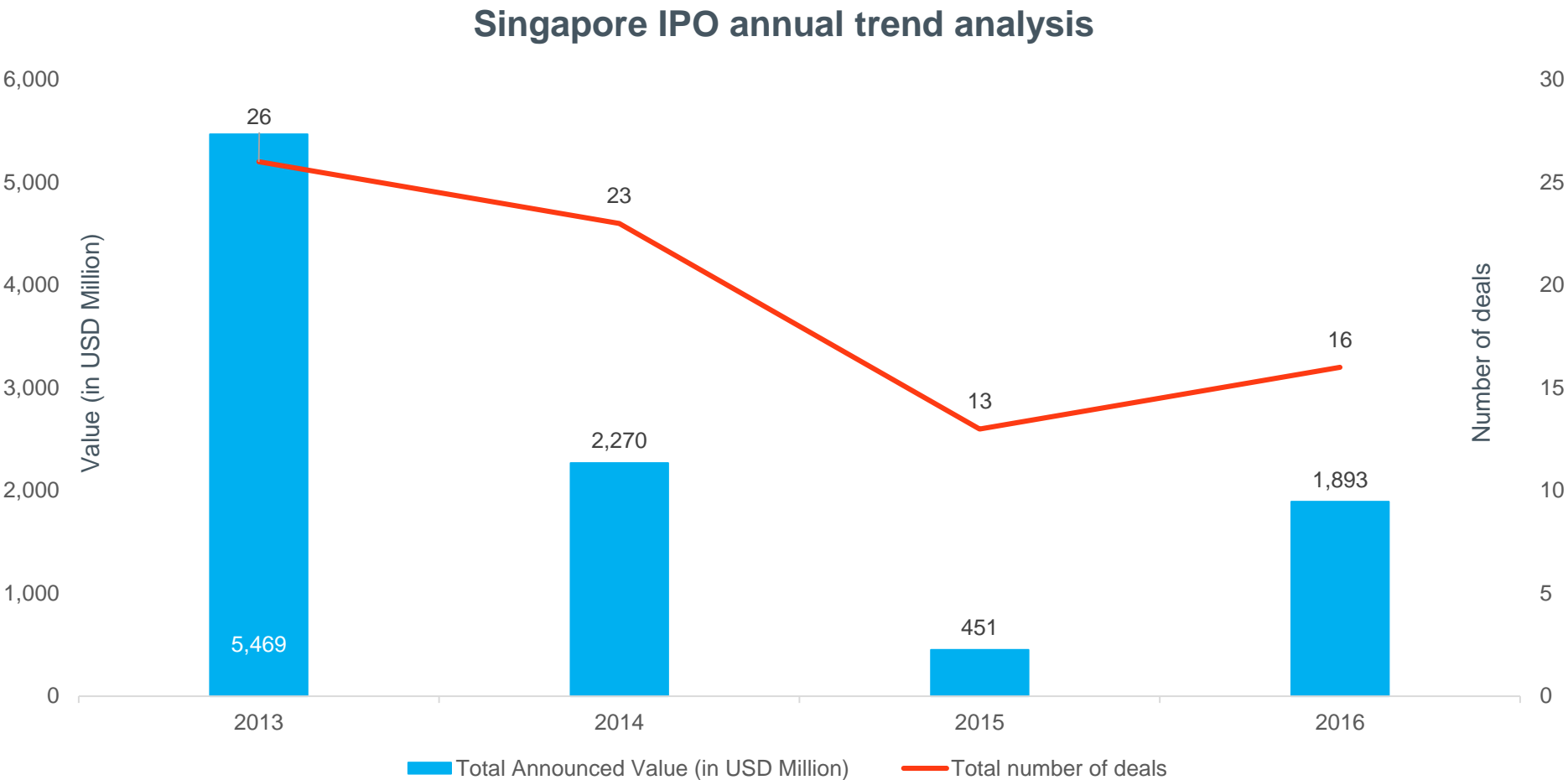
2016 Deal Round-Up

PE/VC deals have seen the highest transacted values, as well as the peak deal volumes during the past 5 years.



2016 Deal Round-Up

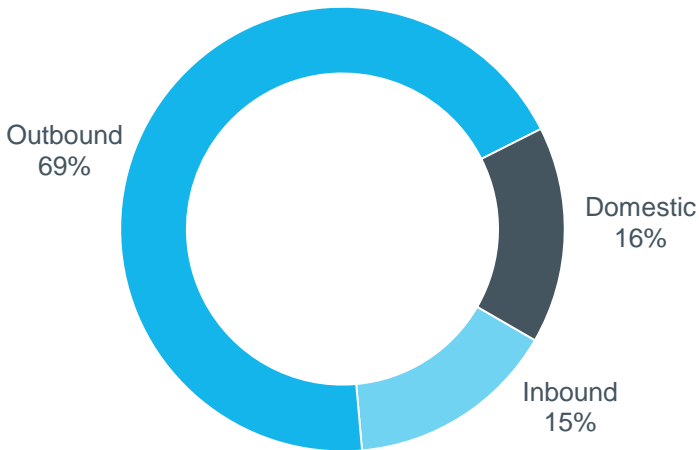
The number of IPO listings remained relatively flat for 2016 with 16 IPOs this year, however capital raised in Singapore was significantly higher compared to 2015 at US\$ 1.89 billion.



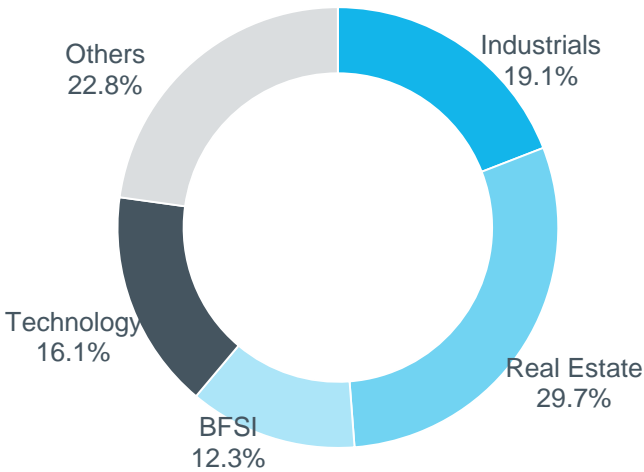
An Overview of Singapore's M&A Activity



M&A Deal Value by % Share



M&A Deal Value by Sector



A total of 684 M&A transactions took place until November 2016, with a total announced value of US\$ 82.7 billion.

Real Estate accounted for 30% of sector activity pie in value terms, with large transactions such as GIC acquiring a logistics portfolio in Czech Republic worth US\$ 2.7 billion. Industrials accounted for approximately 19% of the total value. The Technology sector also accounted for a substantial portion at 16% of total deal value, followed by BFSI.

An Overview of Singapore's M&A Activity - Continued

Temasek Holdings, DBS Bank and consortium investors' acquisition of a minority stake in Postal Savings Bank of China was the top ranking M&A deal in 2016, valued at US\$ 7.0 billion. Significant deal activity by Sovereign Wealth Funds (SWF) dominated the rankings, including GIC and consortium investors' acquisition of Asciano for US\$ 6.8 billion, followed by their acquisition of Nova Transportadora Do Sudeste SA for US\$ 5.2 billion.

Top M&A Deals in Singapore during 2016

Acquirer	Target	Target Sector	Value (US \$ Mm)	% Stake Acquired	Type
Temasek Holdings Pte Ltd, DBS & other investors*	Postal Savings Bank of China	BFSI	7,018	16.9	Minority
GIC Pte Ltd and other investors*	Asciano Ltd	Industrials	6,800	100	Acquisition
Broadcom Ltd	Brocade Communications Systems Inc	Technology	5,500	100	Acquisition
GIC Pte Ltd, Brookfield Infrastructure Partners LP, China Investment Corp	Nova Transportadora Do Sudeste SA	Utilities	5,200	90	Majority
Temasek Holdings Pte Ltd and other investors*	Dianping.com & Meituan.com	Technology	3,300	Not disclosed	Not disclosed
GIC Pte Ltd	P3 Logistic Parks	Real Estate	2,667	100	Acquisition
Qatar Investment Authority	Asia Square Tower 1	Real Estate	2,501	100	Acquisition

*The acquirer refers to a consortium of Singapore and international investors.

An Overview of Singapore's M&A Activity - continued

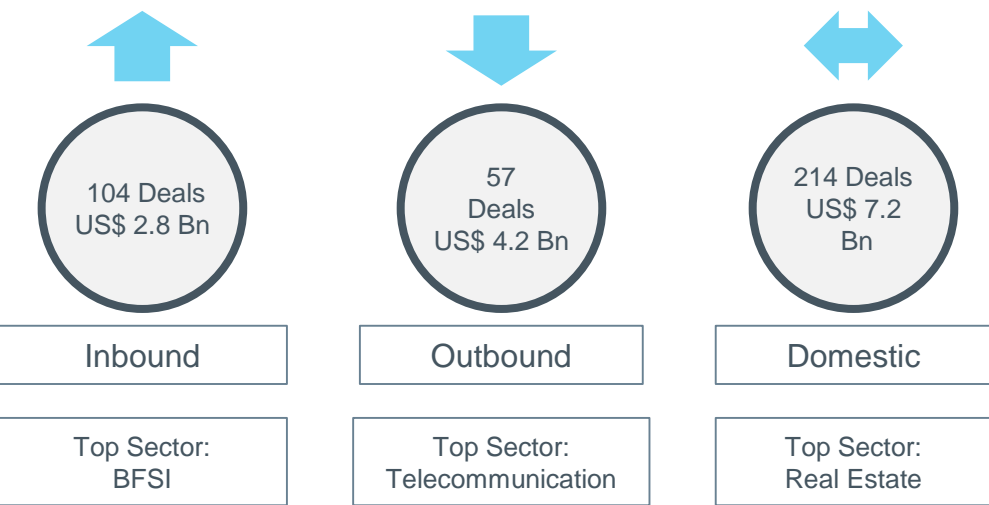
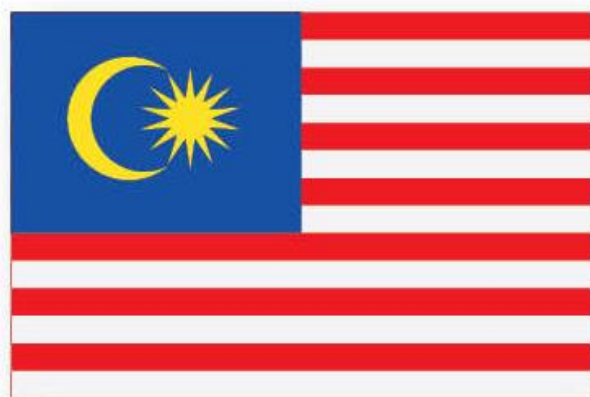
Excluding SWF deals, significant deal activity relating to Singapore Exchange (SGX) mainboard listed companies also featured on the list, including CMA CGM's acquisition of NOL for US\$ 2.4 billion, Singapore Telecom's stake acquisition in Intouch Holdings for US\$ 1.2 billion and Singapore Airlines acquisition of Tiger Airways for US\$ 368 million.

Top M&A (Non-Sovereign Wealth Fund) Deals in Singapore during 2016

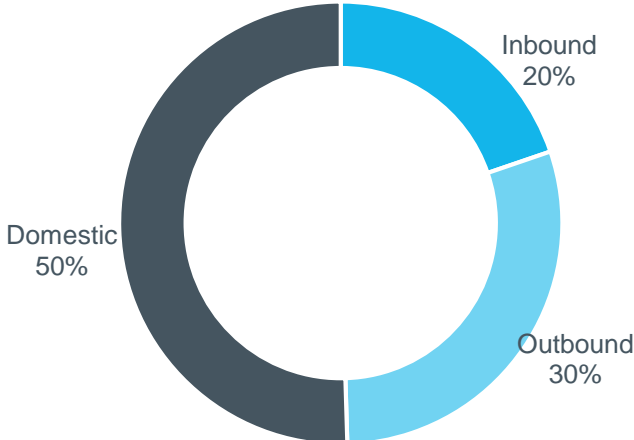
Acquirer	Target	Target Sector	Value (US \$ Mm)	% Stake Acquired	Type
Broadcom Ltd*	Brocade Communications Systems Inc	Technology	5,500	100	Acquisition
CMA CGM S.A.	Neptune Orient Lines Ltd (NOL)	Industrials	2,407	100	Privatization and Delisting
Wealthy Link Pte. Ltd.	Central Boulevard	Real Estate	1,817	100	Acquisition
Mapletree Commercial Trust	Mapletree Business City	Real Estate	1,323	100	Acquisition
Singapore Telecommunications Ltd	Intouch Holdings PCL	Telecommunication	1,184	21	Acquisition

*Broadcom designs, develops, and supplies a range of analog and digital semiconductor connectivity solutions. In 2015, Avago Technologies Limited acquired Broadcom for US\$ 37.0 billion and had changed its name to Broadcom in February 2016. Broadcom is co-headquartered in Singapore and the United States, and listed on NASDAQ.

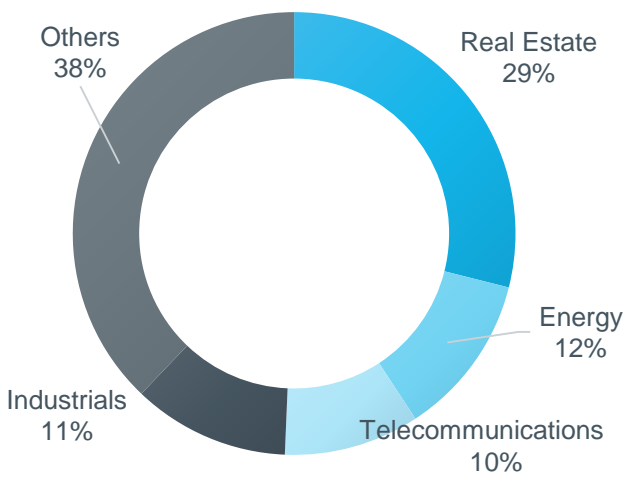
An Overview of Malaysia M&A Activity



M&A Deal Value by % Share



M&A Deal Value by Sector



A total of 375 M&A transactions took place through November 2016 with a total announced deal value of US\$ 14.3 billion. Domestic M&A deals comprised half of the total deal value.

Real Estate was the largest sector in value terms, followed by the Energy sector. The largest Real Estate deal in 2016 was the acquisition of Bandar Malaysia Sdn Bhd by IWH-CREC Sdn Bhd, valued at US\$ 1.7 billion. The largest Telecommunication deal was the acquisition of Ncell Pvt Ltd (80% stake) by Axiata Group Bhd for US\$ 1.4 billion.

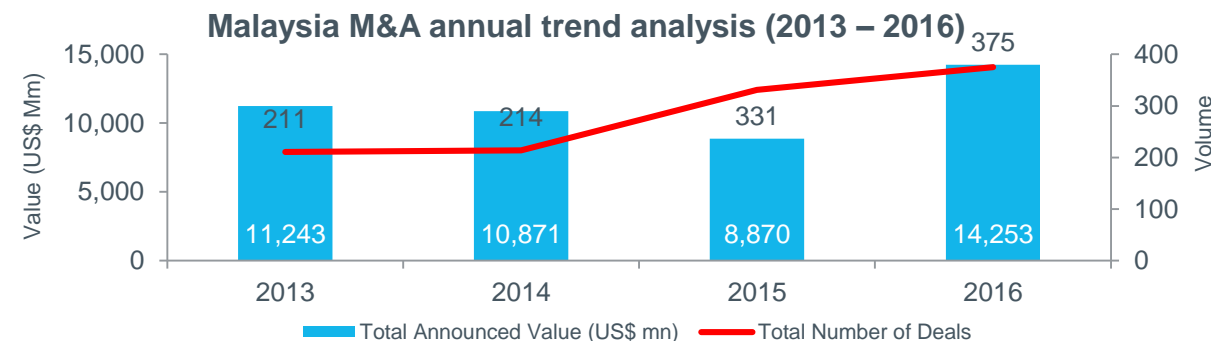
An Overview of Malaysia M&A Activity - Continued

Top M&A Deals in Malaysia during 2016

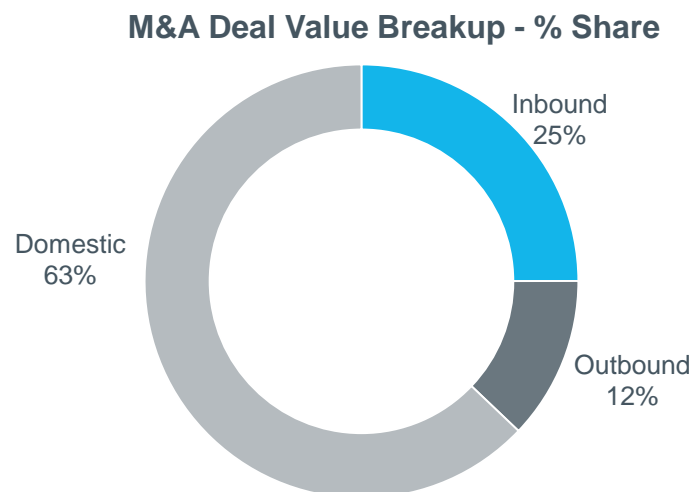
Acquirer	Target	Target Sector	Value (US\$ Mm)	% Stake Acquired	Type
IWH-CREC Sdn Bhd*	Bandar Malaysia Sdn Bhd	Real Estate	1,721	60	Majority
Axiata Group Bhd	Ncell Pvt Ltd	Telecommunication	1,365	80	Majority
Bank of China (Hong Kong)	Bank of China (Malaysia)	BFSI	503	100	Acquisition
MISC Bhd	Gumusut-Kakap Semi-Floating Production System (L) Ltd	Energy	445	50	Acquisition
Golden Hope Unit Trust	Genting Hong Kong Ltd	Consumer Discretionary	415	16.9	Minority
Tenaga Nasional Bhd	GMR Energy Ltd	Energy	300	30	Minority
Employees Provident Fund of Malaysia	Industrial Property Portfolio in UK	Real Estate	283	100	Acquisition
M3nergy Berhad	Lundin Services Ltd (FPSO Bertam)	Energy	265	100	Acquisition
Tune Live Sdn Bhd	AirAsia Bhd	Industrials	258	16.7	Minority

*Consortium between Iskandar Waterfront Holdings and China Railway Engineering Corporation Sdn Bhd

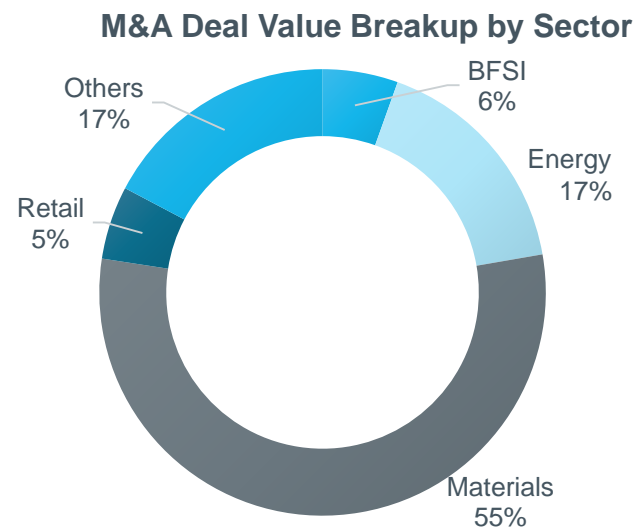
Malaysia witnessed a recovery in M&A deal activity during 2016, reaching a deal value of US\$ 14.3 billion in total over the past year; the highest achieved since 2013.



An Overview of Indonesian M&A Activity



M&A deal volume reached a total of 131 deals in Indonesia with a total announced deal value of approximately US\$ 8.5 billion. Domestic M&A took up the majority share (more than 60%) of total deal value.



Materials was the largest sector in value terms, followed by Energy. Notable M&A deals for Indonesia include PT Medco Energi Internasional's acquisition of a majority stake in PT Amman Mineral Internasional for US\$ 2.6 billion, as well as PT Pertamina Persero's acquisition of Etablissements Maurel et Prom for approximately US\$ 970 million.



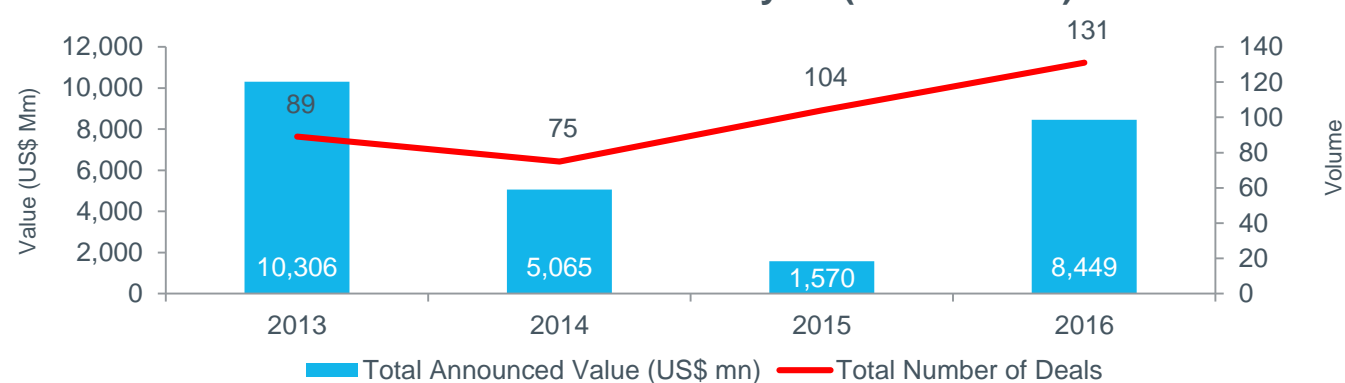
An Overview of Indonesian M&A Activity - Continued

Top M&A Deals in Indonesia during 2016

Acquirer	Target	Target Sector	Value (US\$ Mm)	% Stake Acquired	Type
PT Medco Energi Internasional	PT Amman Mineral Internasional	Materials	2,600	50	Majority
PT Amman Mineral Internasional	PT Newmont Nusa Tenggara	Materials	1,300	48.5	Minority
PT Pertamina Persero	Etablissements Maurel et Prom	Energy	973	100	Acquisition
GIC Pte Ltd	PT Trans Retail	Retail	387	Not disclosed	Not disclosed
Electricity Generating Authority of Thailand	PT Adaro Indonesia	Materials	325	12	Minority
PT Sarana Menara Nusantara	2500 telecommunication towers (PT XL Axiata Tbk)	Telecommunication	268	100	Acquisition
PT Galanggang Maju Bersama, PT Mandhala Cipta Purnama	Subsidiaries of PT Provident Agro Tbk	Agriculture	206	100	Acquisition

There was significant recovery in M&A deal values during 2016, where deal values reached approx. US\$ 8.5 billion compared to US\$ 1.6 billion in the previous year.

Indonesia M&A annual trend analysis (2013 – 2016)



Private Equity / Venture Capital Snapshot in the Region

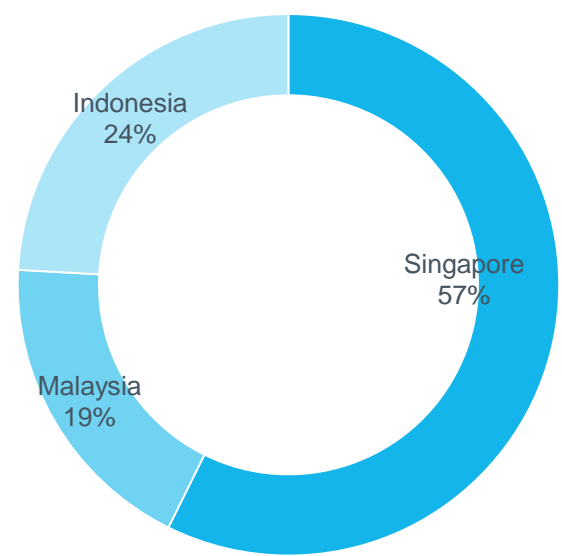
One hundred and sixty PE / VC deals completed in 2016 with combined deal value of approx. US\$ 6.1 billion. Singapore was the largest PE / VC contributor investments with a total deal value of approx. US\$3.5 billion. Technology was the top contributing sector in the region, accounting for an estimated 31% of deal values concluded within the region.

Top PE / VC Deals in the region for 2016

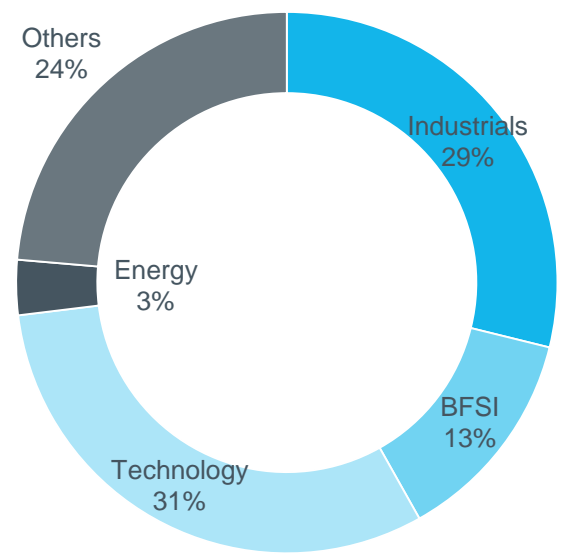
Investor	Investee	Sector	Country	Investment Value (US\$ Mm)
SoftBank Group Corp & Other investors	GrabTaxi Holdings Pte Ltd	Technology	Singapore	750
CVC Capital Partners Ltd	Nirvana Asia Ltd	Industrials	Singapore	630
China Investment Corp and Other Investors	BOC Aviation Pte Ltd	BFSI	Singapore	572
KKR Group along with other investors	PT GO-JEK Indonesia	Technology	Indonesia	550
CLSA Capital Partners	77 Robinson Rd	Real Estate	Singapore	373
GIC Pte Ltd, Bain Capital Partners LLC, Advent International	QuEST Global Engineering Pvt Ltd	Industrials	Singapore	350
Baring Private Equity Asia Ltd	Interplex Holdings Ltd	Industrials	Singapore	320
Employees Provident Fund	Konsortium Lebuhraya Utara-Timur KL Sdn Bhd	Industrials	Malaysia	273
Korea Exchange Bank, Investment Arm	CM International Holding Pte. Ltd.	BFSI	Singapore	200
Northcliff Capital Pte Ltd	PT Ratu Prabu Energi Tbk	Energy	Indonesia	200

Private Equity / Venture Capital Snapshot in the Region - Continued

Deal Value by Region



Deal Value by Sector



Regional PE/VC	2013		2014		2015		2016	
Deal Summary	Deal Volume	Deal Value (US\$' Mm)	Deal Volume	Deal Value (US\$' Mm)	Deal Volume	Deal Value (US\$' Mm)	Deal Volume	Deal Value (US\$' Mm)
Singapore	61	883	47	2,400	81	2,182	100	3,503
Malaysia	15	568	13	1,084	21	46	27	1,135
Indonesia	16	1,771	6	230	26	460	33	1,474

Initial Public Offerings in the Region

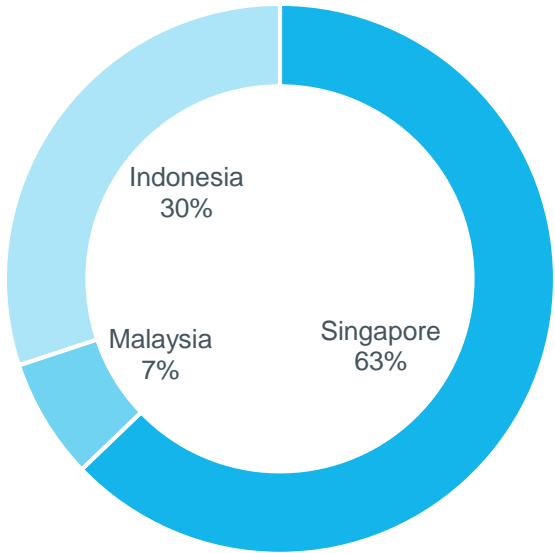
IPOs in Singapore saw a recovery from relatively muted performance in 2015, with capital raised at US\$ 1.9 billion compared to US\$ 451 million in 2015. Frasers Logistics & Industrial Trust was the largest IPO in the region with a total capital raised of US\$ 664 million, followed by the public offering of Manulife US REIT which raised approx. US\$ 519 million.

Top Initial Public Offerings in the Region for 2016

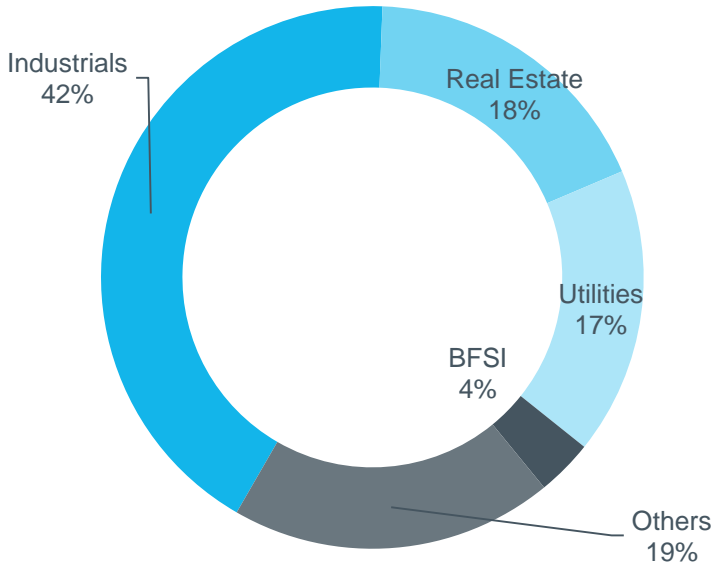
Company Name	Capital Raised (US \$ Mm)	Sector	IPO Exchange
Frasers Logistics & Industrial Trust	664	Industrials	Singapore Exchange
Manulife US REIT	519	Real Estate	Singapore Exchange
EC World REIT	465	Industrials	Singapore Exchange
PT Waskita Beton Precast Tbk	393	Materials	Jakarta Stock Exchange
PT Cikarang Listrindo Tbk	275	Utilities	Jakarta Stock Exchange
China Jinjiang Env Holding Co Ltd	146	Utilities	Singapore Exchange
Ranhill Holdings Bhd	96	Utilities	Bursa Malaysia
PT Aneka Gas Industri Tbk	65	Energy	Jakarta Stock Exchange
PT Capital Financial Indonesia Tbk	55	BFSI	Jakarta Stock Exchange
PT Bank Ganesha Tbk	42	BFSI	Jakarta Stock Exchange
Pecca Group Bhd	33	Consumer Discretionary	Bursa Malaysia
PT Paramita Bangun Sarana Tbk	27	Industrials	Jakarta Stock Exchange

Initial Public Offerings in the Region

IPO Deal Value by Region



IPO Deal Value by Sector

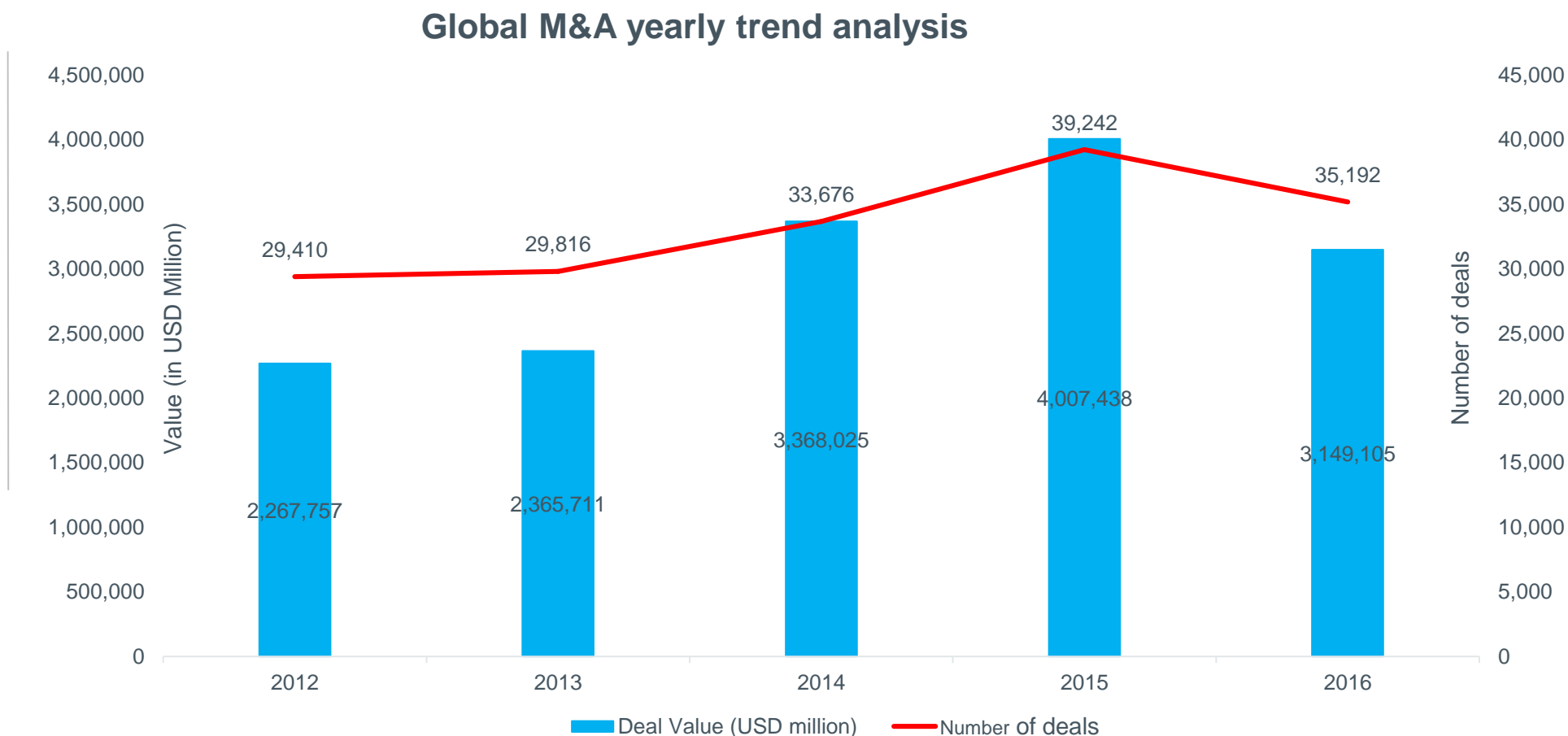


Regional IPOs	2013		2014		2015		2016	
	Listings summary	Listing Volume	Capital Raised (US\$' Mm)	Listing Volume	Capital Raised (US\$' Mm)	Listing Volume	Capital Raised (US\$' Mm)	Listing Volume
Singapore		26	5,469	23	2,270	13	451	16
Malaysia		17	2,662	13	1,011	8	744	11
Indonesia		30	3,688	19	636	13	765	14

Special Features I: Global M&A Trends

During 2016, there were a total of 35,192 transactions, representing aggregate deal value of US\$3,149.1 Bn.

Global M&A deals have seen the second highest yearly deal volume in 2016 in the past 5 years.



Source: Bloomberg

Special Features I: Global M&A Trends - Continued

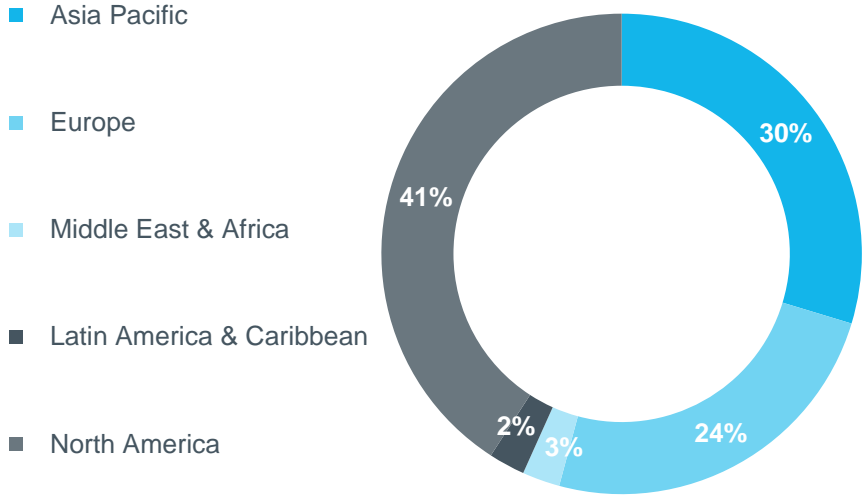
Top 10 Global M&A deals in 2016

Acquirer	Target	Target Sector	Value (US\$ Mm)	Proposed Stake Acquisition (%)	Type
AT&T Inc	Time Warner Inc	Communications	107,131	100	Acquisition
Bayer AG	Monsanto Co	Basic Materials	65,696	100	Acquisition
British American Tobacco PLC	Reynolds American Inc	Consumer, Non-cyclical	58,256	57.8	Acquisition
Sunoco logistics partners	Energy transfer partners LP	Oil and Gas transportation	51,381	100	Acquisition
China National Chemical Corp	Syngenta AG	Basic Materials	46,312	100	Acquisition
Qualcomm Inc	NXP Semiconductors NV	Technology	46,046	100	Acquisition
Enbridge Inc	Spectra Energy Corp	Energy	42,818	100	Acquisition
Shire PLC	Baxalta Inc	Consumer, Non-cyclical	35,563	100	Acquisition
CenturyLink Inc	Level 3 Communications Inc	Communications	33,500	100	Acquisition
SoftBank Group Corp	ARM Holdings PLC	Technology	30,125	98.55	Acquisition

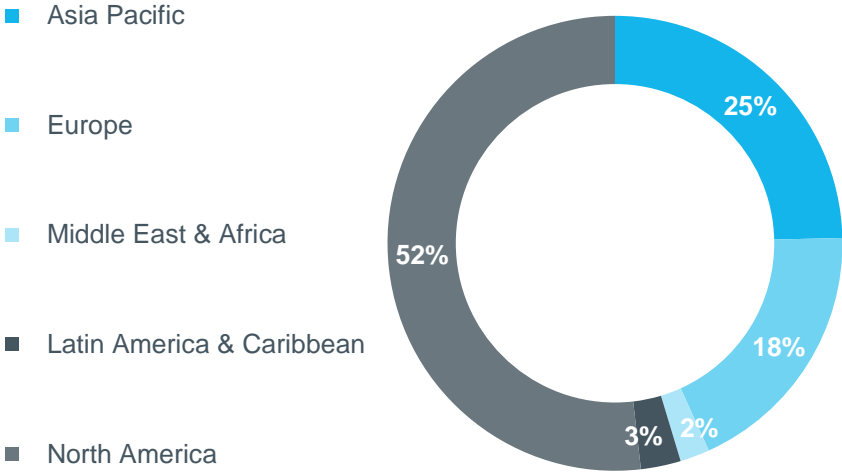
Source: Bloomberg

Special Features I: Global M&A Trends - Continued

Region Breakout by Volume



Region Breakout by Value (US\$ Mm)



Approximately 41% of all global M&A activity in 2016 in volume terms and 52% in value terms were in North America.

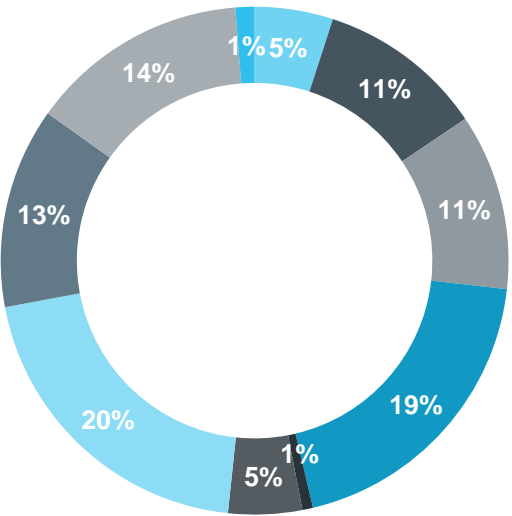
Asia Pacific has contributed to 25% of global M&A values in 2016, thus overtaking Europe at 18%.

Source: Bloomberg

Special Features I: Global M&A Trends - Continued

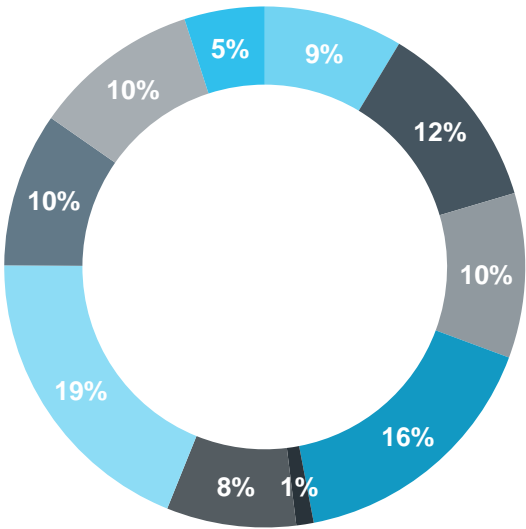
Sector Breakdown by Volume

- Basic Materials
- Communications
- Consumer, Cyclical
- Consumer, Non-cyclical
- Diversified
- Energy
- Financial
- Industrial
- Technology
- Utilities



Sector Breakdown by Value (US\$ Mm)

- Basic Materials
- Communications
- Consumer, Cyclical
- Consumer, Non-cyclical
- Diversified
- Energy
- Financial
- Industrial
- Technology
- Utilities

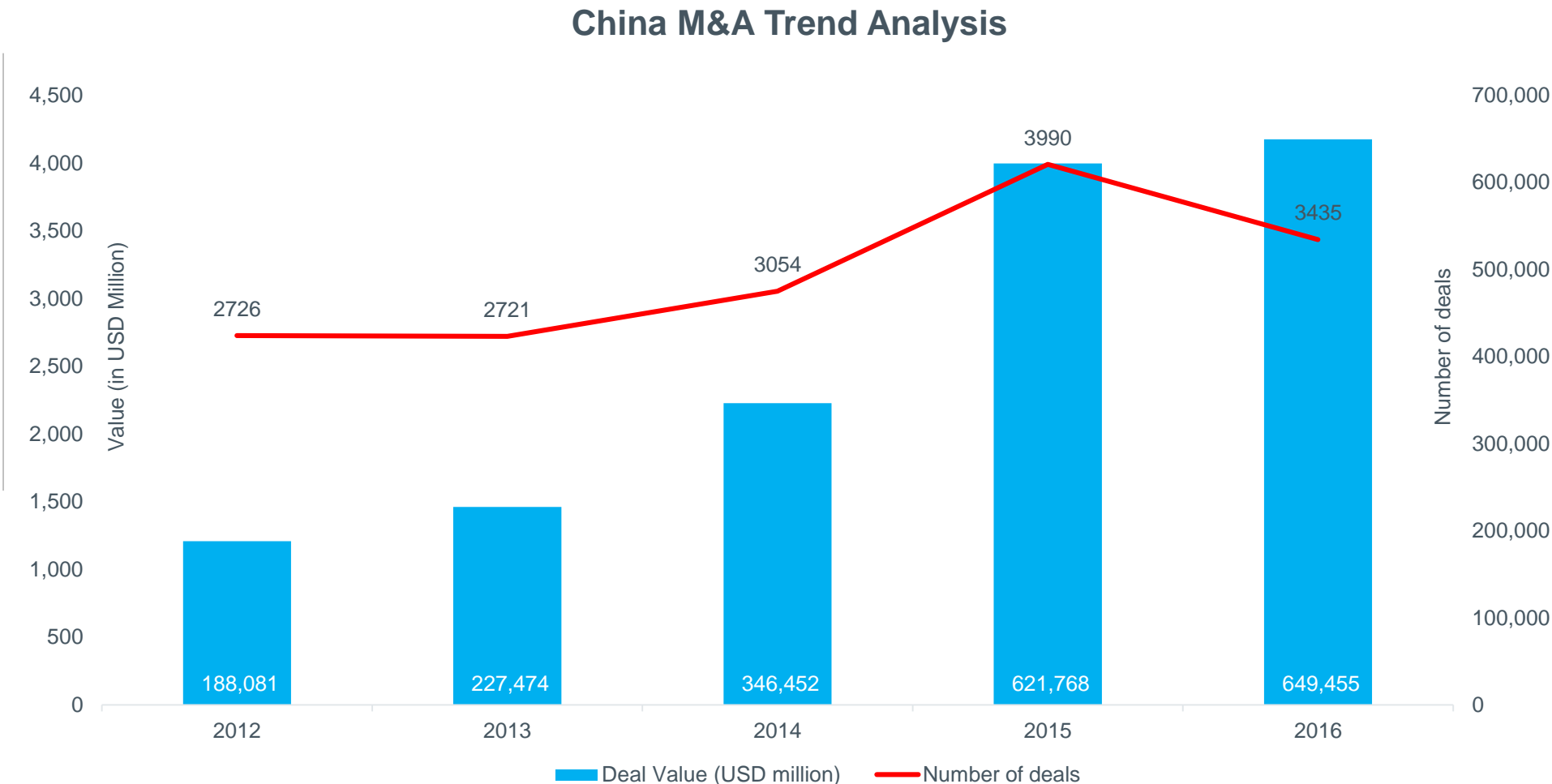


The Financial sector was the most acquisitive in 2016 in both volume and value terms, followed by the Consumer Non-cyclical sector.

Source: Bloomberg

Special Features II: China M&A Trends

The overall China M&A deals have seen the highest deal value in 2016 during the past 5 years driven by outbound deal values which have shown a significant increase in 2016 over 2015.



Source: Bloomberg

Special Features II: China M&A Trends - Continued

Top 10 China M&A deals in 2016

Acquirer	Target	Target Sector	Value (US\$ Mm)	Proposed Stake Acquisition (%)	Type
China National Chemical Corp	Syngenta AG	Basic Materials	46,311	100	Acquisition
Jinan Diesel Engine Co Ltd	CNPC Capital Co Ltd	Financial	11,300	100	Acquisition
Bohai Financial Investment Holding Co Ltd	CIT Commercial Air business	Industrial	10,000	100	Acquisition
Baoshan Iron & Steel Co Ltd	Wuhan Iron & Steel Co Ltd	Basic Materials	8,719	100	Acquisition
Anbang Insurance Group Co Ltd	Strategic Hotels & Resorts Inc	Financial	8,134	100	Acquisition
Maanshan Dingtai Rare Earth & New Material Co Ltd	SF Holdings Group Co Ltd	Industrial	7,502	100	Acquisition
Shenzhen Metro Qianhai Int Dev. Co	China Vanke Co Ltd	Financial	6,926	100	Acquisition
HNA Group Co Ltd	Hilton Worldwide Holdings Inc	Consumer, Cyclical	6,495	100	Acquisition
Tianjin Tianhai Investment Co Ltd	Ingram Micro Inc	Consumer, Cyclical	6,133	100	Acquisition
Qingdao Haier Co Ltd	Appliances business of GE	Consumer, Cyclical	5,400	100	Acquisition

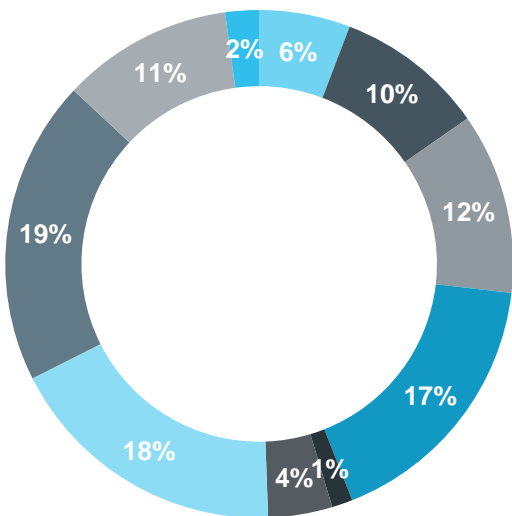
Source: Bloomberg

Special Features II: China M&A Trends - Continued

China M&A Trends

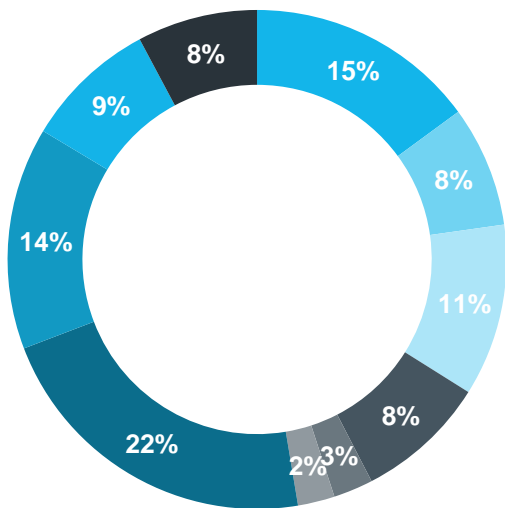
Transaction Breakout by Volume

- Basic Materials
- Communications
- Consumer, Cyclical
- Consumer, Non-cyclical
- Diversified
- Energy
- Financial
- Industrial
- Technology
- Utilities



Transaction Breakout by Value (US\$ Mm)

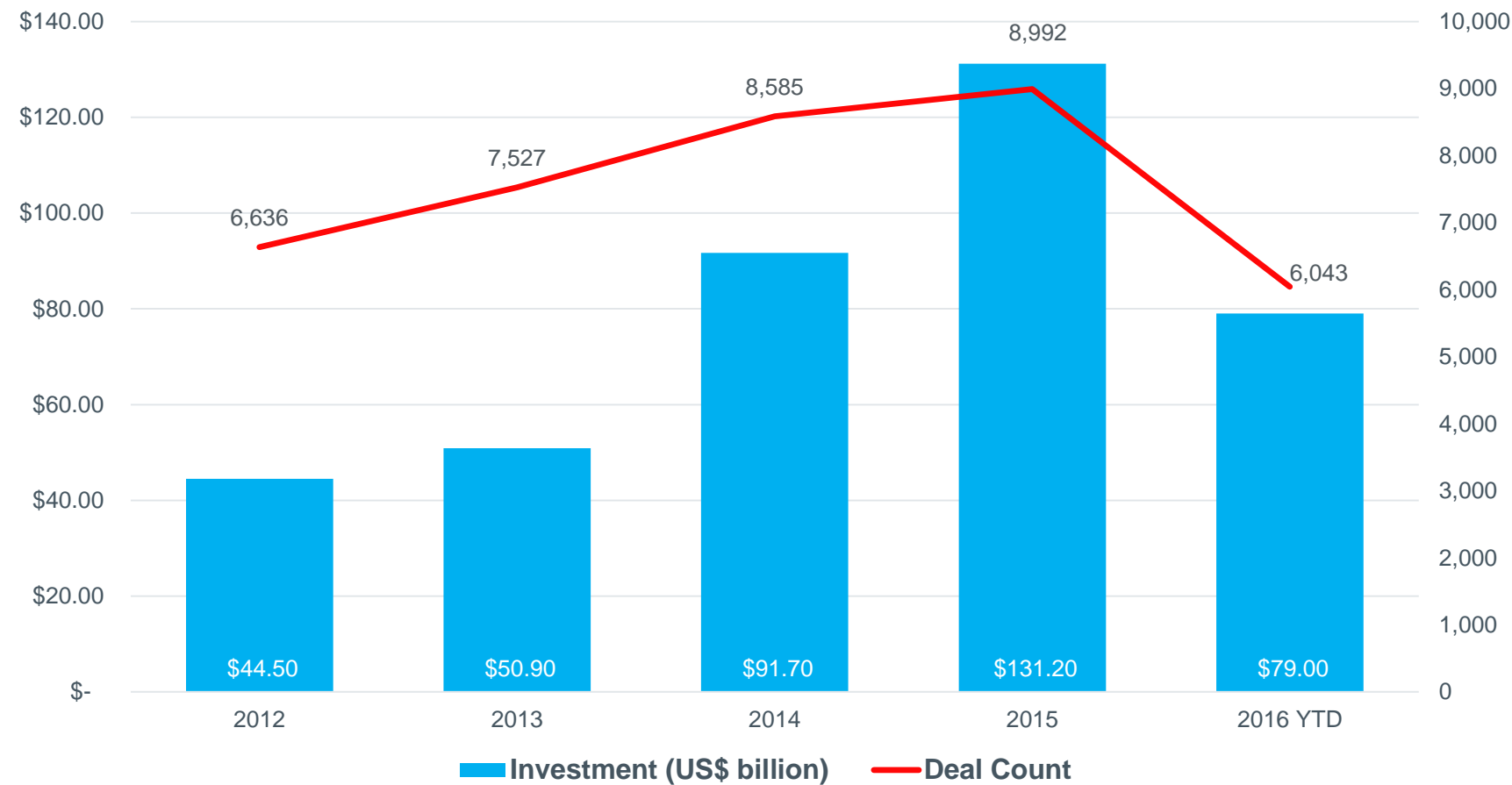
- Basic Materials
- Communications
- Consumer, Cyclical
- Consumer, Non-cyclical
- Diversified
- Energy
- Financial
- Industrial
- Technology
- Utilities



The Industrial sector was the most acquisitive in 2016 in volume terms, whereas in value terms, the financial sector was the most acquisitive.

Special Features III: Tech Start-up

Global Financing Trends for VC Backed Companies

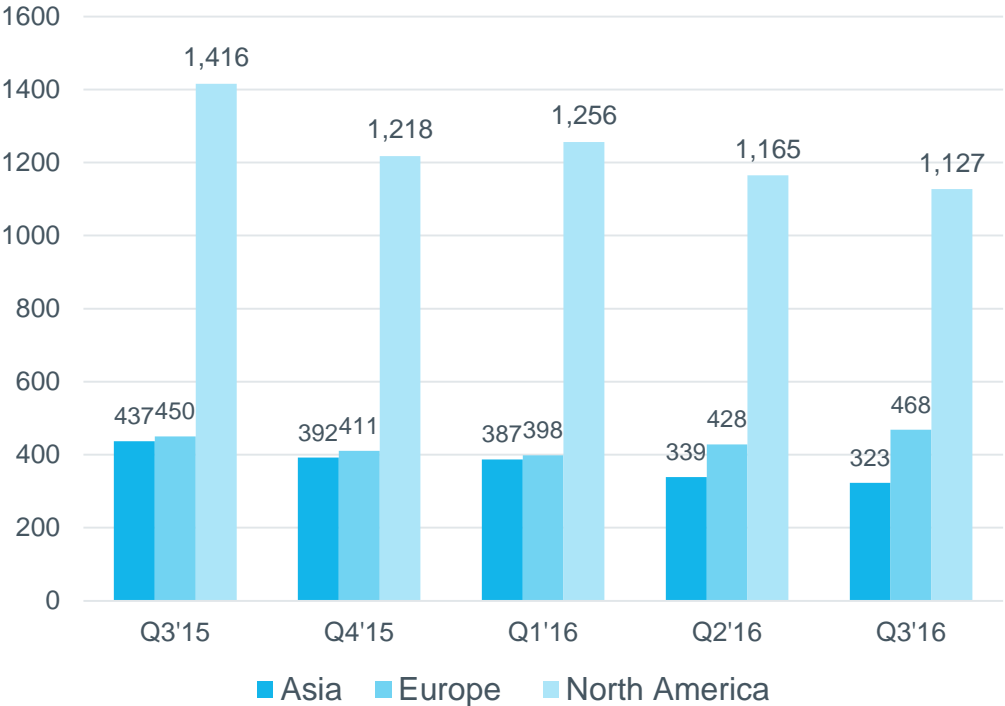


During Q1 to Q3, 2016, a total of 6,043 VC investments were reported globally, representing an aggregate deal value of US\$79 billion.

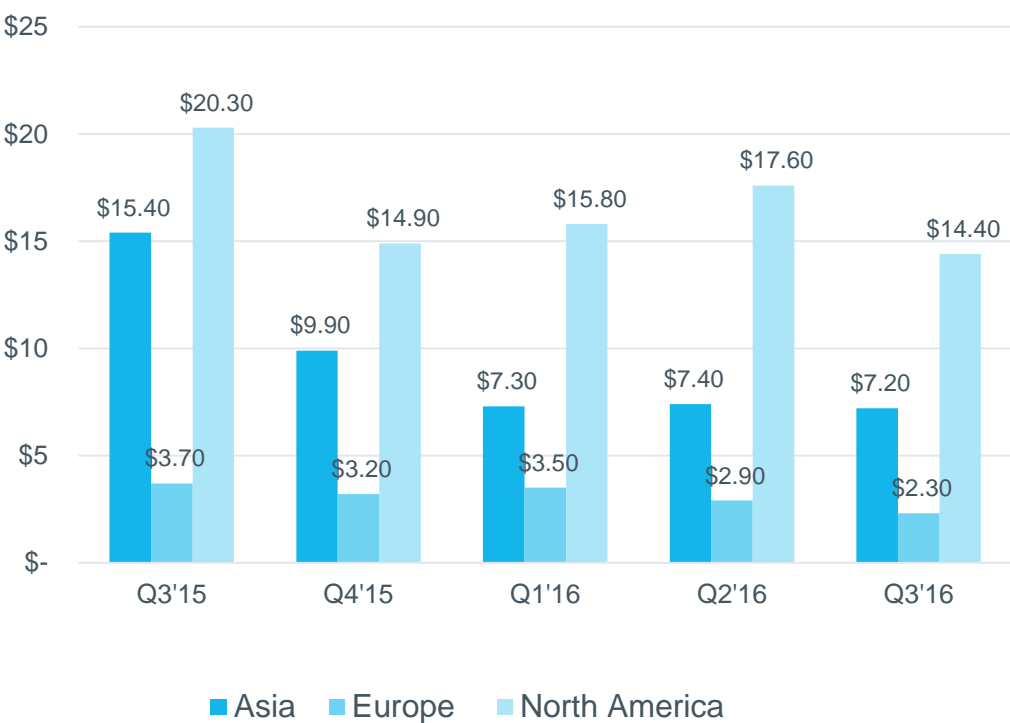
*YTD refers to 30 September 2016
Source: Venture Pulse Report Q3 2016

Special Features III: Tech Start-up - Continued

Deal Volume by Continent



Investment (US\$ Billions) by Continent



Source: Venture Pulse Report Q3 2016

Special Features III: Tech Start-up - Continued

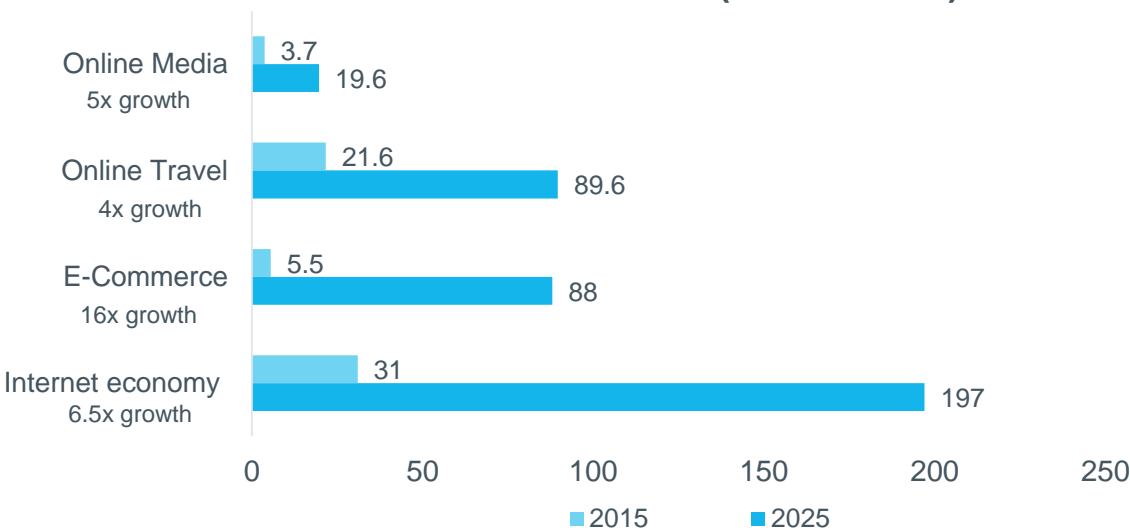
South East Asia's Internet Economy Expected to Grow to US\$200 billion by 2025 from US\$31 billion in 2015: Study by Google & Temasek

“South East Asia is the world's fastest-growing Internet region, with a user base of 260 million expected to grow to about 480 million by 2020.”

- Mr Rajan Anandan,
Google vice-president and managing director in South-east Asia and India

Investments of US\$40-50 billion expected in South East Asia over the next 10 years to capture these opportunities.

Investment in Southeast Asia (US\$ Billions)



Source: The Straits Times: <http://www.straitstimes.com/business/economy/s-e-asia-set-for-internet-boom-study>

Key Growth Drivers	Key Challenges for Emerging Markets
• Booming youth population	• Lack of adequate infrastructure
• Lack of “big box retailers”	• Low credit-card usage
• Rapidly growing middle class	• Low internet penetration and technology usage


“While investment levels in South East Asia shot up tenfold from 2011 to last year, the region still lags behind India and China. As we have more success stories coming out of the region, I think that will start attracting more capital.”

- Mr Rohit Sipahimalani,
Joint head of Temasek's portfolio strategy and risk group

Special Features III: Tech Start-up - Continued

Unicorns of South East Asia*

1




Develops platforms for online and mobile entertainment and communication

Headquarters	Singapore
Valuation	US\$3.75 billion
Total Funding	US\$172.0 million
Incorporation	

Garena is the **highest valued** unicorn in the region

2




Offers taxi/car booking and dispatching services

Headquarters	Singapore
Valuation	US\$2.3 billion
Total Funding	US\$1.43 billion
Incorporation	2012

Grab is the **highest funded** unicorn in the region

3



Offers a platform for on-demand services booking

Headquarters	Indonesia
Valuation	US\$1.3 billion
Total Funding	US\$550.0 million
Incorporation	2010

Funding round of US\$550.0 million in Go-Jek was **largest-ever** in Indonesia's booming tech startup scene

Other notable unicorns:



Vietnam-based technology company, VNG, was reportedly South East Asia's first unicorn. Its funding amount is not disclosed.



Singapore-based e-commerce company, Lazada, became a unicorn in 2014 after it raised US\$250 million from Temasek and other consortium investors at a post-money valuation of \$1.25 billion. In May 2016, Alibaba Group acquired a controlling stake in Lazada for US\$1.0 billion.

Source: CB Insights and Media Articles
*Based on disclosed valuation and funding. Excludes Lazada, as Alibaba acquired a controlling stake in May 2016.

Special Features III: Tech Start-up - Continued

Top 10 Tech Startup Investments in South East Asia in 2016

Target	Acquirer/Investor	Target Sector	Consideration (US\$ million)	Deal Type
Lazada	Alibaba Group	E-Commerce	1,000	Acquisition of controlling stake
Grab	SoftBank Capital, Didi Chuxing	Transportation	750	Investment
Go-Jek	KKR, Sequoia Capital, Capital Group, Rakuten Ventures, NSI Ventures, Northstar Group, DST Global, Farallon Capital Management, Warburg Pincus, Formation Group	Transportation	550	Investment
Garena	Khazanah Nasional Bhd	Technology, Games	170	Investment
MatahariMall.Com	Mitsui & Co	E-Commerce	100	Investment
Astroscale	Innovation Network Corporation of Japan, JAFCO	Aerospace	35	Investment
Carousell	Sequoia Capital, Golden Gate Ventures, 500 Startups, Rakuten Ventures	Marketplaces	35	Investment
EZBuy	Vision Knight Capital, China Growth Capital, IDG Capital Partners	Marketplaces	20	Investment
Quoine	JAFCO Investment Asia Pacific Ltd	Bitcoin, Trading	20	Investment
Orami	Ardent Capital, Velos Partners, Gobi Partners, Eduardo Saverin, Sinar Mas Digital Ventures	E-Commerce	15	Investment

*Based on disclosed funding and investors.

Sector Definitions

BFSI (Banking, Financial Service and Insurance) — Includes Banks, Diversified Financial Services, and Insurance Services

Consumer Discretionary — Includes Consumer Durables, Apparel, Accessories & Luxury Goods, Hotels, Restaurants & Leisure

Consumer Staples — Includes consumer-focused sectors such as Food and Beverages, Breweries and Distilleries, Household and Personal Care Products, and Agricultural Products

Education — Schools, Colleges and Learning Centers

Energy — Includes sub-classifications such as Alternate Energy, Energy Equipment & Services, Oil & Gas Drilling, and Oil & Gas Equipment & Services

Healthcare — Includes Healthcare Providers & Services, Healthcare Equipment & Supplies, and Pharmaceuticals & Biotechnology

Industrials — Broadly includes Capital Goods, Construction and Engineering, Electrical Equipment, Industrial and Trading Conglomerates, Commercial Services and Supplies, Transportation Services and Infrastructure (includes air, marine and land transport)

Materials — Includes Specialty and Industrial Chemicals, Industrial Gases, Agricultural Fertilizers and Chemicals, Metal and Glass Containers, Paper and Plastic Products, Metals and Mining

Professional Services — Includes Consulting Services, Employment Services, Legal and Professional Organizations, and Environmental Services

Real Estate — Real Estate Management and Development, REITs

Retail — Includes Internet & Catalog Retail, Multiline Retail such as Hypermarkets and Supermarkets, and Specialty Retail

SWF – Sovereign Wealth Fund

Technology — Includes sub-classifications such as Hardware, Semiconductors, Software, Design, Manufacturing and Distribution of Technology, Technology Services

Telecommunication — Includes Telecommunication Equipment and Data Service Providers

Utilities — Power, Water

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