

IFR ASIA ECM BRIEFING



Join our IFR ECM group

IFR Asia ECM Briefing - July 14 2015

Chinese brokerage **Everbright Securities** has mandated three banks to arrange its Hong Kong IPO, pressing ahead with plans to raise as much as US\$2bn–\$2.5bn despite the recent turmoil in the sector.

The Shanghai-listed brokerage has named *Bank of America Merrill Lynch* and UBS as the leads alongside *China Everbright Securities (HK)*, its own Hong Kong investment banking arm, according to sources familiar with the proposed share sale.

The IPO may hit the market as early as the fourth quarter of the year, said one of the sources.

The brokerage said earlier that it planned to sell no more than 680m H shares for a listing on the main board of the Stock Exchange of Hong Kong. There is also a greenshoe option of up to 100m shares.

The proposed float comes after two rivals' Hong Kong listings. **HTSC** (Huatai Securities) raised HK\$38.7bn (US\$5bn) from an IPO in May, the world's largest listing of the year. **GF Securities** raised HK\$32.1bn from its listing in April.

The recent selloff in Chinese stocks, however, has brought huge volatility to Hong Kong-listed shares from the country's brokerage sector.

Shares of HTSC have recovered after plummeting to a low of HK\$11.80 on July 8, but were still trading 28% below its IPO price today at HK\$17.98. GF Securities is now 10% below its issue price.

Everbright Securities' A shares closed at Rmb23.27 today, down 39% from its high of Rmb38.32 in April.

Apart from Everbright Securities, **China Merchants Securities**, the country's sixth-largest broker by assets, is mulling a US\$4bn Hong Kong listing in the fourth quarter. Inner Mongolia-based **Hengtou Securities** has also applied for a US\$200m Hong Kong IPO this year.

Philippines-based property developer **DM Wenceslao** is planning an IPO of up to US\$250m later this year or early next year. *CLSA*, *Deutsche Bank* and *Maybank* are the banks on the transaction.

Everbright posted a net profit of Rmb1.5bn (US\$242m) for the first quarter of 2015, up 557.9% year on year.

Shares of **Golden Throat Holdings Group** changed hands at HK\$4.60 in the grey market at 5.30pm, Hong Kong time, flat with its IPO price. The company raised HK\$837m (US\$108m) from its Hong Kong IPO. *Credit Suisse* was the sole sponsor and sole bookrunner.

Australian non-bank lender **Pepper Group** is planning to raise A\$145m (US\$108m) from an ASX IPO. The company is selling about 56m shares at A\$2.60 each or about 10x forecast earnings, according to a source familiar with the float.

Goldman Sachs and *Macquarie* are leading the transaction.

Soochow Securities has obtained shareholder approval for a proposed private share placement of up to Rmb7.5bn (US\$1.21bn). *Western Securities* is working on the transaction. The Suzhou-based brokerage is looking to place not more than 300m shares at a floor price of Rmb23.38. Proceeds will be used to replenish working capital. The deal is still pending approval from the China Securities Regulatory Commission.

The securities house raised Rmb5.13bn from a private share placement a year ago via Credit Suisse Founder Securities.

Shenzhen Deren Electronic has secured board approval for a proposed private share placement of up to Rmb2.89bn (US\$466m). The company plans to offer not more than 50m shares at a floor price of Rmb57.83. *Morgan Stanley Huaxin Securities* is the sole bookrunner. Proceeds will be used for output expansion, a new energy vehicle project, research and development and loan repayment. Shareholders will review the proposal on July 29.

Yong Rong Global Excellence Fund has raised HK\$231m (US\$30m) through the sale of its entire stake in **Bloomage Biotechnology**.

The clean-up trade, involving 19.29m shares, was marketed at an indicative price range of HK\$12–\$12.5 each or at a discount of 10.1%–13.7% to the pre-deal spot.

The shares were sold at the bottom of the price range at HK\$12 each, or at a 13.7% discount.

The deal was comfortably oversubscribed with demand from global long-only investors and hedge funds. The top five investors were allocated over 70% of the shares.

Barclays was the sole bookrunner.

Shares of Bloomage fell 8.63% to close at HK\$12.70 today.

Mei Ah Entertainment Group has raised HK\$280bn (US\$36m) through a private placement of 280m shares, or 4.73% of its enlarged company capital, at HK\$1 each. The placement price represents a 9.09% discount to the pre-deal spot.

Carrier Capital, owned by Yip Ching Tsz and other four people, was the subscriber.

Haitong International Securities was the placing agent. Proceeds will be used to finance future business development and replenish working capital.

Pipeline

- July – Syngene (India). US\$150m IPO. Axis, Credit Suisse, Jefferies
- August – Al-Salaam (Malaysia), US\$80m REIT IPO. Maybank, RHB
- September – Modern Dental Group (China), Up to US\$250m SEHK IPO. Deutsche
- 2015 – Kailong (China), US\$151m SGX REIT IPO. BOC International, CLSA, Religare, Standard Chartered
- 2015 – Wenceslao (Philippines) US\$250m, PSE IPO. CLSA, DB, Maybank
- 2015 – Quick Heal (India) US\$150m IPO. ICICI Securities, Jefferies, JP Morgan
- 2015 – Sadbhav Infrastructure (India), US\$100m IPO. Edelweiss, ICICI, Inga, Kotak, Macquarie
- 2015 – Ratnakar Bank (India), US\$250m IPO. Axis, Citi, Kotak, MS, HDFC, ICICI, IDBI, India Infoline, SBI Capital.
- 2015 – Global Ferronickel (Philippines). US\$600m follow-on; UBS
- 3Q 2015 – China Railway Signal & Communication Corp (China) Up to US\$2bn SEHK IPO. Citigroup, MS, UBS
- 3Q 2015 – Huarong Asset Management (China) Up to US\$3bn SEHK IPO. GS, HSBC, Citigroup, ICBC
- 4Q 2015 – China Merchants Securities (China) Up to US\$4bn SEHK IPO. CMS, JPM, MS
- 2015 – CFP Inc (China) Up to US\$300m SEHK IPO. UBS, Jefferies
- 2015 – Pengai Hospital (China) Up to US\$200m SEHK IPO. MS, Haitong
- 3Q 2015 – Chengdu Xingrong Investment (China) Up to US\$800m SEHK IPO. ABCI, Haitong
- 2015 – Shandong Weigao Orthopaedic Device (China) Up to US\$300m SEHK IPO. CICC, UBS
- 2015 – Taikang Life (China) Up to US\$3bn SEHK IPO. CICC, GS, CS
- 2015 – Hangzhou Hikvision Digital Technology (China) Up to US\$1bn SEHK IPO. CICC, MS
- 2015 – CICC (China) Up to US\$1bn SEHK IPO. ABCI, CICC
- 2015 – Jinjiang Holdings (China) Up to US\$400m SEHK IPO. JPM, UBS
- 2015 – Chukong Technologies (China) US\$150m US IPO. MS, DB, China Renaissance
- 2015 – Locojoy (China) Up to US\$150m SEHK IPO. CS, JPM
- 2015 – Coffee Day Enterprises (India). US\$236m IPO; Citigroup, Kotak and Morgan Stanley
- 2015 – Interglobe Aviation (India). US\$400m IPO; Citigroup, JP Morgan, Morgan Stanley, Barclays, Kotak, UBS
- 2015 – Macay Holdings (Philippines). US\$200m Follow-on offering; CS, Deutsche, HBSC
- 2H2015 – Osotspa (Thailand). US\$250m SET IPO; Bualuang, Phatra
- 2015 – Weststar Aviation (Malaysia). US\$500m Bursa Malaysia IPO; JP Morgan, Maybank, UBS
- 2015 – Rashtriya Ispat Nigam (India) Around US\$450m IPO. Deutsche, UBS
- 2015 – Altain Khuder (Mongolia) US\$300m SEHK IPO. BofA Merrill, Macquarie
- 2015 – Hankook Silicon (South Korea) Up to US\$371m IPO. Daewoo, Daishin, Woori
- 2015 – Harita Jayaraya (Indonesia) US\$250m SGX IPO. Citi, DBS, CICC
- 2015 – Bank of Shanghai (China) US\$2bn A/H IPO. Guotai Junan, Citic, GS Gao Hua, ICBCI, JPM, MS, UBS
- 2015 – China Guangfa Bank (China) US\$5bn A/H IPO. BofA Merrill, Citi, DB, GS, CS, Macquarie, Citic, Guangfa, GS GaoHua, Haitong, Yingda
- 2015 – LG Siltron (South Korea) Up to US\$450m IPO. Tong Yang, UBS, Woori
- 2015 – Hyundai Oilbank (South Korea) Up to US\$2bn IPO. Citi, Woori, BofA Merrill, Daewoo, Hana Daetoo, Shinhan
- 2015 – Dyviacom Intrabumi (Indonesia) US\$300m –\$500m re-IPO. DB, CIMB, CS, Buana
- 2015 – ILFS (India) US\$400m SGX business trust IPO. DB, JPM, Nomura, CIMB
- 2015 – SMC Global Power Holdings (Philippines) Ps27.3bn (US\$619m). CIMB, StanChart, UBS, ATR Kim Eng, SB Capital
- 2015 – Akara Resources (Thailand) US\$500m IPO. CIMB, Macquarie, Maybank, MS
- 2015 – L&T Infrastructure Development Projects (India) US\$600m–\$700m SGX business trust IPO. DB, JPM, Nomura, StanChart
- 2015 – AAB Group (China) Up to US\$300m IPO. BofA Merrill, RafAello Capital, UBS
- 2015 – GMR Energy (India) Around US\$275m IPO. BofA Merrill, ICICI, Kotak, Macquarie, Nomura, StanChart, Yes
- 2015 – ACB India (India) US\$150m IPO. Edelweiss, IDFC, JPM, Macquarie, Axis, ICICI, Yes
- 2015 – Mytrah Energy Trust (India) US\$400m –\$500m SGX business trust IPO. MS, StanChart
- 2015 – Lavasa Corp (India) Up to US\$125m IPO. Axis, ICICI, Kotak
- 2015 – Dianping Holdings (China) Up to US\$1bn SEHK IPO. DB, GS, MS
- 2015 – Seoul Viosys (South Korea) Around US\$200m IPO. BofA Merrill, UBS
- 2015 – Sime Darby Auto (Malaysia) US\$500m–\$1bn. CIMB, Deutsche Bank, Maybank, Morgan Stanley
- 2015 – Profriends Group (Philippines). US\$172m IPO; BDO Capital, First Metro.
- H1 2015 – United Asia Finance (China) Up to US\$600m IPO. JPM, MS
- 2015 – Thyrocare Technologies (India) Up to US\$82m IPO. Edelweiss, ICICI Securities, JM Financial
- 2015 – Aster DM (India) Up to US\$246m IPO. BofA Merrill, Goldman Sachs, Kotak
- 2015 – Wind Energy Holdings (Thailand) Up to US\$300m IPO. BofA Merrill, Bualuang, Morgan Stanley, Phatra, Siam Commercial Bank
- 2015 – LBC Express (Philippines) Up to US\$140m IPO. UBS
- 2015 – Profriends Group (Philippines). US\$172m IPO; BDO Capital, First Metro.
- 2015 – AGS Transact (India) US\$217m, Axis Capital, Citi, HDFC Bank, ICICI Securities, Kotak
- 2015 – 1MDB (Malaysia) Around US\$3bn Bursa Malaysia IPO, Ambank, Maybank.
- 2015 – Guangzhou Rural Commercial Bank (China) About US\$1.53bn Shanghai IPO.
- 2015 – Sinochem Corp (China) US\$3.15bn–\$5.51bn A-share IPO. CICC
- 2015 – People's Insurance Company (Group) of China US\$2bn A-share IPO. CICC, Essence Securities
- 2015 – China Education Publishing & Media Group Up to US\$1.57bn A-share IPO. BOC International (China)
- 2015 – Bank of Beijing (China) Up to US\$4bn SEHK IPO. GS, MS
- 2015 – Bluefocus Communication Group (China) US\$1bn SEHK IPO. MS, CS
- 2015 – China Reinsurance (China) Up to US\$2bn SEHK IPO.
- 2015 – Postal Savings Bank of China (China) More than US\$4bn A/H IPO.
- 2015 – China Energy Engineering Group (China) Up to US\$1bn SEHK IPO.
- 2015 – Hong Kong Airlines (Hong Kong) Up to US\$600m IPO. JPM
- 2015 – Equitas Microfinance (India) Up to US\$156m, Axis, ICICI Securities
- 2015 – L&T Infotech (India) Up to US\$250m, Barclays, Citi, Kotak, SBI Capital
- 2015 – TeamLease (India) Up to US\$150m. Credit Suisse, IDFC, ICICI Securities

ASIA-PACIFIC EQUITIES			
BOOKRUNNERS: 1/1/2015 TO 10/7/2015			
Managing bank or group	No of issues	Total US\$(m)	Share (%)
1 Goldman Sachs	45	17,923.90	10.1
2 UBS	60	15,008.78	8.5
3 Morgan Stanley	63	11,853.77	6.7
4 CITIC	40	6,995.34	4.0
5 Credit Suisse	37	6,560.27	3.7
6 JP Morgan	29	6,033.96	3.4
7 Macquarie Group	25	4,740.55	2.7
8 Nomura	45	4,125.00	2.3
9 Citigroup	27	4,085.80	2.3
10 BofA Merrill Lynch	20	3,915.60	2.2
Total	1,368	176,652.88	

Source: Thomson Reuters (SDC code: C04a1r)

ASIA-PACIFIC EQUITIES (EX-JAPAN)			
BOOKRUNNERS: 1/1/2015 TO 10/7/2015			
Managing bank or group	No of issues	Total US\$(m)	Share (%)
1 Goldman Sachs	43	17,237.24	10.6
2 UBS	56	14,530.83	8.9
3 Morgan Stanley	47	9,030.10	5.6
4 CITIC	40	6,995.34	4.3
5 Credit Suisse	37	6,560.27	4.0
6 JP Morgan	27	5,385.10	3.3
7 Macquarie Group	24	4,685.91	2.9
8 Citigroup	27	4,085.80	2.5
9 Ping An Securities	18	3,615.65	2.2
10 BofA Merrill Lynch	15	3,556.06	2.2
Total	1,244	162,557.82	

Source: Thomson Reuters (SDC code: C04a2r)

ALL INTERNATIONAL ASIAN CONVERTIBLES			
BOOKRUNNERS: 1/1/2015 TO 10/7/2015			
Managing bank or group	No of issues	Total US\$(m)	Share (%)
1 Nomura	10	2,014.14	29.6
2 JP Morgan	5	1,031.06	15.2
3 Mizuho FG	6	583.02	8.6
4 Daiwa Securities Group	5	544.46	8.0
5 Deutsche Bank	2	519.18	7.6
6 HSBC	4	456.63	6.7
7 Morgan Stanley	3	409.74	6.0
8 BofA Merrill Lynch	3	353.95	5.2
9 Goldman Sachs	3	279.95	4.1
10 Credit Suisse	1	200.00	2.9
Total	32	6,801.37	

Source: Thomson Reuters (SDC code: MI0)

Fiona Lau: +852 3762 3494, fiona.lau@thomsonreuters.com
 Ken Wang: +861 0662 71259, ken.wang@thomsonreuters.com
 S. Anuradha: +65 6417 4547, anuradha.subramanyan@thomsonreuters.com
 Frances Yoon: +852 2847 4063, frances.yoon@thomsonreuters.com
 Client Support: IFR.Clientsupport@thomsonreuters.com
 Subscription sales: +65 9383 7395, joseph.sagaram@thomsonreuters.com

© Thomson Reuters 2015. All rights reserved. The contents of this email, either in whole or in part, may not be reproduced, copied, or distributed without prior written permission of the publishers. Action will be taken against companies who ignore this warning.



A THOMSON REUTERS SERVICE



THOMSON REUTERS