



We are pleased to present this Cayman Asia M&A Market Report which recaps merger and acquisition activity involving Cayman public companies listed on the Stock Exchange of Hong Kong (“SEHK”) in the first half of 2017.

Conyers is particularly active in this space, leading the Asian market in advising on Mergers & Acquisitions. The first six months of 2017 saw 68 equity acquisitions among SEHK listed companies, with an aggregate deal value of HK\$45.72 billion (US\$5.858 billion). Active industry sectors included Construction & Engineering, Consumer Services and Technology.

Growth in Asian M&A activity remains slow, with both deal volume and value declining. The same is true globally, where strategic M&A transactions have decreased. This is not surprising given geo-political uncertainties. However, consortium bids led by private equity have offset some of this decline.

This report provides details of transactions and statistical information about the size and growth of the Cayman public companies market in Asia, which we hope will be of interest to our clients and Cayman market followers.

### SEHK BY THE NUMBERS

HK <b>\$45.7</b> billion	<b>990</b> Cayman companies	<b>46%</b> of all companies listed
VALUE OF ACQUISITIONS H1 2017	WITH MARKET CAP OF <b>\$12.5</b> trillion	ARE <b>CAYMAN COMPANIES</b>

### JANUARY

- HNA Ecotech (HK) Co. Limited acquired a 61.39% equity stake in **Advanced Card Systems Holdings Limited** (SEHK:2086) for HK\$536.04 million (US\$69 million).
- Investor(s) acquired an equity stake in **China Hanya Group Holdings Limited** (SEHK:8312) for HK\$336.24 million (US\$43.45 million).
- Investor(s) acquired an equity stake in **Global Link Communications Holdings Limited** (SEHK:8060) for an undisclosed sum.

- Investor(s) acquired an equity stake in **Hanbo Enterprises Holdings Limited** (SEHK:1367) for HK\$246.51 million (US\$32 million).
- Cititrust Private Trust (Cayman) Limited acquired a 2.3% equity stake in **Modern Land (China) Co. Limited** (SEHK:1107) for an undisclosed sum.
- Jumbo Grand Enterprise Development Limited acquired a 0.24% equity stake in **New Concepts Holdings Limited** (SEHK:2221) for an undisclosed sum.
- Investor(s) acquired a 20% equity stake in **Newton Resources Ltd.** (SEHK:1231) from Faithful Boom Investments Limited for an undisclosed sum.
- Power View Group Limited acquired a 75% equity stake in **Odella Leather Holdings Limited** (SEHK:8093) from Quality Century Limited, Design Vanguard Limited and Olson Global Limited, for an undisclosed sum.
- Investor(s) acquired an equity stake in **On Real International Holdings Limited** (SEHK:8245) for an undisclosed sum.
- Investor(s) acquired an equity stake in **Vision Fame International Holding Limited** (SEHK:1315) for an undisclosed sum.
- Rexell Technology Company Limited acquired an equity stake in **Wai Chi Holdings Company Limited** (SEHK:1305) for HK\$41.17 million (US\$5.3 million).

## FEBRUARY

- China Fund Limited acquired a 15% equity stake in **China U-Ton Holdings Limited** (SEHK:6168) from Jiang Changqing for HK\$226.51 million (US\$29.21 million).
- Hao Tian Development Group Limited (SEHK:474) acquired a 75% equity stake in Clear Lift Holdings Limited (nka: **Hao Tian International Construction Investment Group Limited**) (SEHK:1341) from Tang J F T Company Limited for HK\$592.5 million (US\$76.4 million).
- Choi Chui Fai Stanley acquired a 64.77% equity stake in **International Entertainment Corp** (SEHK:1009) from Mediastar International Limited for HK\$1.558 billion (US\$200.85 million).
- Investor(s) acquired an equity stake in **Kaisa Group Holdings Ltd.** (SEHK:1638) for HK\$499.63 million (US\$64.4 million).
- State Energy HK Limited acquired a 14.74% equity stake in LC Group Holdings Limited (nka: **Royal China International Holdings Limited**) (SEHK:1683) from Chew Christina Mooi Chong for HK\$127.33 million (US\$16.4 million).
- Shangtex Holding Co., Ltd. acquired a 74.51% equity stake in **Luen Thai Holdings Ltd.** (SEHK:311) from a group of shareholders for HK\$1.936 billion (US\$249.6 million).
- Ko Chun Hay Kelvin acquired a 12.5% equity stake in **Super Strong Holdings Limited** (SEHK:8262) from Best Brian Investment Limited for HK\$33.5 million (US\$4.3 million).

## MARCH

- HNA Ecotech (HK) Co. Limited acquired a 30.26% stake in **Advanced Card Systems Holdings Limited** (SEHK:2086) for HK\$257.21 million (US\$33 million).
- China Mengniu Dairy Company Limited (SEHK:2319) acquired an equity stake in **China Modern Dairy Holdings Ltd.** (SEHK:1117) from CDH Investments and KKR & Co. L.P. (NYSE:KKR) for HK\$1.884 billion (US\$241.5 million).
- Hao Tian Development Group Limited (SEHK:474) acquired a further equity stake in Clear Lift Holdings Limited (nka: **Hao Tian International Construction Investment Group Limited**) (SEHK:1341) for HK\$45.78 million (US\$6 million).
- HNA Group Co., Ltd., Shanghai AJ Trust & Investment Co., Ltd., and Shanghai Yihang Enterprises Management Partnership Limited, L.P. acquired an equity stake in **Jia Yao Holdings Limited** (SEHK:1626) for an undisclosed sum.
- Investor(s) acquired a 4.25% equity stake in **ICO Group Limited** (SEHK:1460) from Cloud Gear Limited for HK\$34 million (US\$4.4 million).
- China Baoan Group Co., Ltd. (SZSE:000009) acquired a 14.98% equity stake in **IPE Group Limited** (SEHK:929) from a group of 15 sellers including Tottenham Ltd. for HK\$839.85 million (US\$108 million).
- Investor(s) acquired an equity stake in **Kwan On Holdings Limited** (SEHK:1559) for HK\$74.58 million (US\$9.6 million).
- Morning Star Resources Limited acquired a 10.78% equity stake in **MOBI Development Co., Ltd.** (SEHK:947) from SOFTBANK Asia Infrastructure Fund managed by SAIF Partners for an undisclosed sum.

- Power View Group Limited acquired a 1.68% equity stake in **Odella Leather Holdings Limited** (SEHK:8093) from public shareholders for HK\$7.84 million (US\$1 million).
- Steel Dust Limited acquired an equity stake in **Pak Wing Group (Holdings) Limited** (SEHK:8316) for HK\$324.06 million (US\$41.74 million).
- Investor(s) acquired an equity stake in **Winto Group (Holdings) Limited** (SEHK:8238) for HK\$42.31 million (US\$5.5 million).

## APRIL

- Jade Leader International Investment Limited, Ever Star International Investment Limited and Yang Lijun acquired a 27.8% equity stake in **Generic (Holdings) Limited** (SEHK:542) from VMS Investment Group Limited and others for HK\$281.24 million (US\$36.2 million).
- Shanghai Wuniu Network Technology Company Limited and Tiantu Investments International Limited acquired a 19.56% equity stake in **China Netcom Technology Holdings Limited** (SEHK:8071) from Leung Ngai Man for HK\$66.14 million (US\$8.5 million).
- Rentian Technology Holdings Limited (SEHK:885) acquired an equity stake in **Enterprise Development Holdings Limited** (SEHK:1808) for HK\$260.98 million (US\$33.5 million).
- Zhang Qiang acquired a 55% equity stake in **Feishang Non-Metal Materials Technology Limited** (SEHK:8331) from Feishang Group Co., Ltd. for HK\$192.5 million (US\$25 million).
- Investor(s) acquired a 29.3% equity stake in **Future Bright Mining Holdings Limited** (SEHK:2212) from Easy Flourish Limited for HK\$148.29 million (US\$19 million).
- Investor(s) acquired a 2.5% equity stake in **ICO Group Limited** (SEHK:1460) from Friends True Limited for an undisclosed sum.
- FountainVest Partners and China Media Capital acquired an equity stake in **IMAX China Holding, Inc.** (SEHK:1970) for HK\$835.6 million (US\$107.54 million).
- Investor(s) acquired an equity stake in **Golden Meditech Holdings Limited** (SEHK:801) from Atlantis Investment Management (Hong Kong) Ltd. for HK\$1.21 billion (US\$156 million).
- Investor(s) acquired a 14.58% equity stake in **Kwan On Holdings Limited** (SEHK:1559) from Twilight Treasure Limited and Fortune Decade Investments Limited for HK\$158.17 million (US\$20.4 million).
- An undisclosed fund, existing substantial shareholder and an independent purchaser acquired a 14.5% equity stake in **Lee's Pharmaceutical Holdings Limited** (SEHK:950) from Sigma Tau Fianziaria S.p.A. for HK\$579.58 million (US\$74.6 million).
- Mega Real Limited acquired an equity stake in **Lifestyle Properties Development Limited** (SEHK:2183) from Lifestyle International Holdings Limited (SEHK:1212) for HK\$1.292 billion (US\$166 million).
- Wang LiangHi acquired a 42.04% equity stake in **Millennium Pacific Group Holdings Limited** (SEHK:8147) from CPIT Investments Limited and Seize Minute Limited for HK\$142.27 million (US\$19 million).
- Martford Limited acquired an equity stake in **Millennium Pacific Group Holdings Limited** (SEHK:8147) for HK\$33.45 million (US\$4.3 million).
- Investor(s) acquired an equity stake in **Yestar Healthcare Holdings Company Limited** (SEHK:2393) for an undisclosed sum.

## MAY

- Ever Star International Investment Limited, Jade Leader International Investment Limited and Yang Lijun acquired a 45.2% equity stake in **Generic (Holdings) Limited** (SEHK:542) from Star Advance International Limited for HK\$602.79 million (US\$77.4 million).
- United Financial Holdings Group acquired an equity stake in **Fraser Holdings Limited** (SEHK:8366) from National Honour Investments Limited for HK\$270.08 million (US\$35 million).
- China Baoan Group Co., Ltd. (SZSE:000009) acquired a further equity stake in **IPE Group Limited** (SEHK:929) for HK\$45.93 million (US\$6 million).
- CCOOP Group Co., Ltd. (SZSE:000564) acquired an equity stake in **China Shun Ke Long Holdings Limited** (SEHK:974) for HK\$759.41 million (US\$98 million).
- Qiangda Limited acquired a 4.6% equity stake in **Citychamp Watch & Jewellery Group Limited** (SEHK:256) from Hon Kwok Lung for HK\$350 million (US\$45 million).
- Steel Dust Limited acquired an equity stake in **Pak Wing Group (Holdings) Limited** (SEHK:8316) for HK\$37.26 million (US\$5 million).
- Xiao Hua (HK) Company Limited acquired a 3.62% equity stake in **Xiao Nan Guo Restaurants Holdings Limited** (SEHK:3666) for HK\$32.84 million (US\$4.2 million).
- PAG Asia Capital acquired the remaining 99.31% stake in **Yingde Gases Group Company Limited** (SEHK:2168) from Brandes Investment Partners, L.P., Aberdeen Asset Management Limited, Equity Trustees Ltd., Asset Management Arm, Rongton Investments Limited, Ultra Growth Management Limited and Baslow Technology Limited for HK\$23.690 billion (US\$3.050 billion).

## JUNE

- Investor(s) acquired an equity stake in **China LNG Group Limited** (SEHK:931) for HK\$1.08 billion (US\$140 million).
- CCOOP Group Co., Ltd. (SZSE:000564) acquired a further equity stake in **China Shun Ke Long Holdings Limited** (SEHK:974) for HK\$293.98 million (US\$37.7 million).
- Jardine Strategic Holdings Limited (SGX:J37) acquired an equity stake in **Greatview Aseptic Packaging Company Limited** (SEHK:468) for approximately US\$190 million.
- 500.com Limited (NYSE:WBAL) acquired an equity stake in **MelcoLot Limited** (SEHK:8198) from Melco International Development Limited (SEHK:200) for HK\$322.24 million (US\$41.34 million).
- Shang Ying Financial Holding Co., Limited acquired an equity stake in **S. Culture International Holdings Limited** (SEHK:1255) for HK\$672.34 million (US\$86.5 million).
- Investor(s) acquired a 18.48% equity stake in **Shuanghua Holdings Limited** (SEHK:1241) from Lai Yongzhong and Double Joy Enterprise Limited for HK\$72.1 million (US\$9.25 million).
- e-Kong Group Limited acquired an equity stake in **SingAsia Holdings Limited** (SEHK:8293) from e-Kong Group Limited (SEHK:524) for HK\$26.51 million (US\$3.4 million).
- China First Capital Group Limited (SEHK:1269) acquired an equity stake in **Virscend Education Company Limited** (SEHK:1565) for HK\$808.76 million (US\$104 million).

## WHERE WE SEE GROWTH

### Private Education

Demand for high-quality private education in China is increasing. Private school operators in China are, generally, non-profit. However, they now have the choice to convert to for-profit businesses, allowing them to gain control over fees and assets. It is likely this will spur an increase of investment activity in the sector.

In recent years, four of China's private school operators, including Virscend Education Company Limited, have listed on the SEHK, with others listing in the United States. In June of this year, China First Capital Group Limited (SEHK:1269) acquired an additional 5.84% stake in Virscend for approximately HK\$810 million.

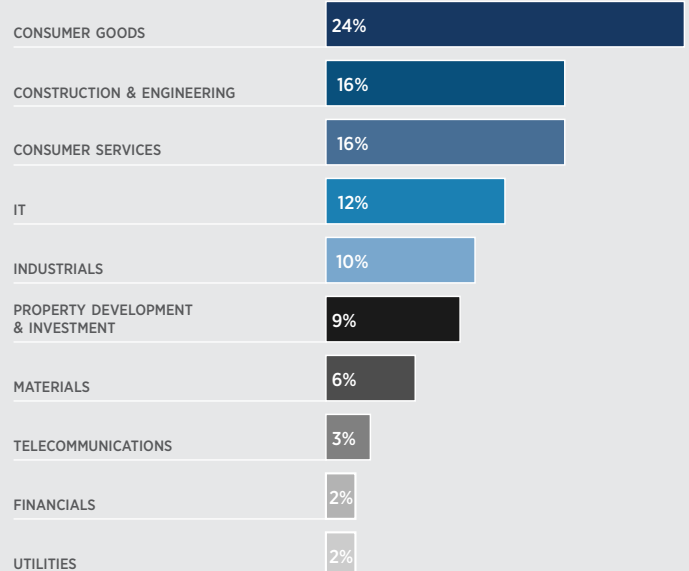
### China's Belt and Road Initiative

This initiative focuses on connectivity and cooperation between Eurasian countries, with anticipated cumulative investment in the range of US\$4 trillion to US\$8 trillion. Infrastructure investment will be a large part of economic growth. As infrastructure conglomerates look independently to raise funds for development, particularly in Western China, we expect to see increases in funds formation.

### Consortium Bids led by Private Equity

An increasing number of private equity consortiums are forming and bidding as a result of the high-value M&A transactions – some in the billions – reported in Asia. Utilizing private equity consortiums allows PE firms to share risk. We expect this trend to continue, especially as it relates to longer term infrastructure investments.

## INDUSTRY SECTOR OF ACQUISITION TARGETS



## AWARDS AND ACCOLADES



## CHAMBERS GLOBAL

Offshore:  
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including  
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(Asia-Pacific Region)

*"In terms of structuring companies and funds, they are well versed with the various aspects of company law in BVI and Cayman."*



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Offshore Law Firms

*'Well-established offshore firm' Conyers Dill & Pearman is rooted in corporate finance and capital markets law, where it continues to 'have a large market share'.*



## IFLR 1000

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Investment Funds  
- Foreign

*"With 30 years under its belt, Conyers Dill & Pearman is the oldest offshore firm in Hong Kong. It is regarded for corporate finance and capital markets work, and is among Asia's market leaders in IPOs—including Alibaba's landmark IPO—and M&As."*

ALB CHINA  
LAW AWARDS 2017

Project Finance  
Deal of the Year

*The syndicated loan project for the privatization of Qihoo 360*

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This report details capital markets and corporate M&A activity among Cayman-domiciled companies listed on the SEHK using data from S&P Global Market Intelligence. The date range for this analysis is 1 January 2017 – 30 June 2017 inclusive. Where necessary, deal values have been converted to USD at a rate set by S&P Global Market Intelligence. Not all deals have a publically known value. Not all deal details are reported immediately, and the figures are subject to change as new information becomes available.

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