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Shaping an attractive financial services industry

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Singapore

In 2009, the City of London's global financial index ranked Singapore the most competitive financial centre in Asia, and third globally, after London and New York.

Notwithstanding the unprecedented ongoing global financial crisis and increased uncertainties in the world economic environment, Singapore's financial system has remained healthy and emerged relatively unscathed.

The success of Singapore as a financial centre may be attributed to its strong supervisory regime and highly-respected judicial system, and also to the legislative and regulatory measures that have been and continue to be implemented by the Singapore government to create a stable, credible and attractive financial services industry.

It is well known that Singapore generally does not have any currency, exchange or capital controls and does not tax capital gains, bond coupons and dividends, with a view to attracting capital from all over the world. In recent times, the Singapore government has exempted tax on interest income derived by individuals from standard savings, current and fixed deposit accounts in Singapore, and also abolished estate duty, which enhances its allure as one of the top private wealth centres in the world.

Bank secrecy

We have therefore seen many of the world's rich shifting their funds even from traditional tax havens to Singapore, and many of the major private banks across the globe establishing or enhancing their presence in Singapore. The wealth shift to Singapore (and Asia) may also be a result of the EU requirement to deduct withholding tax on interest earned by EU residents on bank accounts in participat-

ing countries, and the recent investigations into tax shelters by the OECD (Organisation for Economic Co-operation and Development) member countries.

While traditional offshore centres such as Switzerland and Luxembourg have loosened their banking secrecy laws to allow for more cross-border co-operation, and despite calls from the EU for more transparency, Singapore has so far preserved its tough banking secrecy laws, which are seen as a cornerstone in maintaining Singapore's position as a financial centre.

Singapore's central bank, MAS (the Monetary Authority of Singapore), has stated that Singapore's laws on banking confidentiality provide customers the right to confidentiality of information, but do not shield criminal activity. Singapore indeed operates a rigorous regime against money laundering and financing of terrorism, which is benchmarked against international standards.

Enhanced DTAs

However, the Singapore government has in early 2009 given clear indication of its intention to endorse the OECD standard for the effective exchange of information through DTAs (avoidance of double taxation agreements) and table for approval in parliament (following public consultation) the legislative amendments to implement the standard in the latter part of 2009. These amendments will enhance the information that Singapore can exchange under its DTAs.

Once the law is passed, Singapore is likely to negotiate and conclude DTAs that will enable her to provide further assistance regarding exchange of information. However, the Singapore government has also made it clear that any request by a foreign jurisdiction for information must not be fishing expeditions, and while banks cannot serve to harbour financial criminals, they are equally accountable to their clients to ensure that confidentiality cannot be lifted without justification.

Government deposit guarantees

Singapore has often adopted measures to build and maintain its position as an international financial centre and a financial market leader in south-east Asia, as well as to instil stability and confidence in its financial system. For example, when countries in the region (Taiwan, Hong Kong and Malaysia) issued blanket government guarantees at the beginning of the current global financial crisis, the Singapore Ministry of Finance and MAS also announced that the Singapore government will guarantee all Singapore dollar and foreign currency deposits of individuals and non-bank customers in banks, finance companies and merchant banks licensed by the MAS. This guarantee remains in place until December 31 2010.

All depositors will enjoy protection from the Singapore government on the full amount of their deposits for the duration of the guarantee. A joint press statement by the Singapore Ministry of Finance and MAS posted on the MAS website explained: "Although Singapore's banking system continues to be sound and resilient, the government has decided to take precautionary action to avoid an erosion of banks' deposit base and ensure a level international playing field for banks in Singapore."

The Singapore government's deposit guarantee is backed by S\$150 billion (\$100 billion) of its past reserves. The Singapore Ministry of Finance had sought and obtained the President's concurrence – as required by the Singapore Constitution because of the President's role in safeguarding the country's reserves.

Capital markets – local firms

Recommended firms
Tier 1
Allen & Gledhill WongPartnership
Tier 2
Rajah & Tann Stamford Law
Tier 3
Colin Ng & Partners Drew & Napier Shook Lin & Bok
Tier 4
Arfat Selvam Alliance KhattarWong Lee & Lee TSMP Law Corporation

Banking – local firms

Recommended firms
Tier 1
Allen & Gledhill
Tier 2
Drew & Napier WongPartnership
Tier 3
Rajah & Tann Rodyk & Davidson Shook Lin & Bok
Tier 4
Arfat Selvam Alliance Colin Ng & Partners KhattarWong Lee & Lee Stamford Law TSMP Law Corporation Wong Tan & Molly Lim

Mergers and acquisitions – local firms

Recommended firms
Tier 1
Allen & Gledhill WongPartnership
Tier 2
Drew & Napier Rajah & Tann Stamford Law
Tier 3
Arfat Selvam Alliance Colin Ng & Partners Rodyk & Davidson Shook Lin & Bok
Tier 4
KhattarWong Lee & Lee TSMP Law Corporation Wong Tan & Molly Lim

Restructuring and insolvency – local firms

Recommended firms
Tier 1
Allen & Gledhill Drew & Napier Rajah & Tann
Tier 2
WongPartnership
Tier 3
KhattarWong Shook Lin & Bok Stamford Law TSMP Law Corporation

The debatable effectiveness of joint venture relationships between international and local Singapore law firms prompted the city-state to liberalise legal markets with its alternative qualifying foreign law practice (QFLP) scheme by which awarded firms could begin advising on Singapore law as of May 2009. After assessing applicants on how well they would use the licence to promote Singapore as a regional hub, in December 2008 the government granted six foreign firms a licence to make direct local hires.

Following the QFLP, Singapore plans to roll out an enhanced joint law venture (EJLV) scheme some time in 2009, which will grant foreign offices the right to make local hires under a profit-sharing scheme with joint venture law firms. It is still too early for any assessment of the initiative as the global market outlook has suppressed hasty changes and

caused some prospective applicants to defer for fear of committing the practice to unrealistic growth.

One lawyer comments: “We expect to see our competitors make moves to hire from the Singapore market, but because we’re all suffering from the crisis and uncertainty in the market, firms have their own restructuring issues. The transition [to building local capability] has been slower than expected.” Allen & Overy, newly unpinned from Shook Lin & Bok, made the first move – recruiting the talent formerly comprising Venture Law.

From the perspective of some local firms, the QFLP scheme may not dramatically impact Singapore’s legal dynamic because, as a partner at a leading firm explains: “For instance with M&A, it’s hard to make a distinction between what’s local versus international law.” Either way, there has been plenty of other legal news from the jurisdiction.

The debt capital markets have seen the MTN space, inhabited by mostly local banks, rise as an important platform for issuing bonds. K-Reit (real-estate investment trust), A-Reit, Frasers Centrepoint Trust and property Reits have been the most active players. Though securitised and structured products exited this market as with nearly everywhere, both convertible and Islamic bonds (*sukuks*) are thriving in Singapore. “If and when securitisation returns it will be after a rethink at both the regulatory and the market level,” says one lawyer.

Meanwhile, although the jurisdiction’s notoriously busy IPO business died down, a series of large rights issues kept equity markets open for business.

Public M&A in Singapore and across the region has been very active over the past year. The main concern for private deals has been credit availability and the valuations gap. In particular, Singapore has seen a lot of Chinese companies involved in M&A. “Local companies are looking at China more – not so much as a strategic move but because Singapore clients are doing more business with China,” a lawyer explains.

Thanks in part to a tight regulatory framework, Singapore has avoided the large-scale insolvencies common around the region. “While we have seen restructuring and refinancing,” one local partner reports, “we’re not seeing a lot and would hope to see more. It’s been about tightening up terms and funding, about deleveraging.”

Allen & Gledhill

Allen & Gledhill is respected by clients for its “strong knowledge, particularly in infrastructure business trust and public-private partnership financing,” as well as for providing “rea-

sonably balanced advice, taking into account legal and commercial considerations.”

“Chee Wai Kok is very knowledgeable and responsive,” is one client’s feedback. “He is legally very competent – balanced with a commercial sense in advising clients.”

Allen & Gledhill broke new ground by representing CIMB-GK Securities, the arranger and dealer, as well as Bank of New York Mellon, the trustee, in the establishment of a S\$1 billion Islamic trust certificate programme pursuant to which certificates may be issued under *shariah* (Islamic law) financing principles by City Developments or its subsidiary Citydev Nahdah. This is the first *sukuk* (Islamic bond) programme to be established by a corporate entity in Singapore and, in addition, the initial series of *sukuks* issued under the programme will be the first generated by a Singapore corporation under *ijarah* (capital leasing) financing principles.

Another Islamic finance transaction saw Allen & Gledhill handle the reverse inquiry *ijarah*-based *sukuk*, representing Standard Chartered Bank and Islamic Bank of Asia as joint arrangers. With New York Mellon acting as co-trustee, the firm structured a S\$200 million (\$138 million) *sukuk* issuance programme for the Monetary Authority of Singapore (MAS). This was the first *sukuk* programme to be established by a statutory board in Singapore and the first local currency *sukuk* to be created for a central bank of a non-Muslim majority jurisdiction.

Allen & Gledhill assisted Temasek Holdings as well as the issuer, DBS Bank, in structuring a one-for-two rights offering that amassed S\$4.1 billion – Singapore’s largest ever capital raising on the market. On another foray into raising capital, Allen & Gledhill acted for CapitaMall Trust Management, as manager of the Singapore Reit (real-estate investment trust) CapitaMall Trust, on raising S\$1.23 billion in an oversubscribed rights issue – the largest fund-raising ever carried out by a Reit in Singapore.

The banking group recently acted for DBS Bank, Intesa Sanpaolo (Singapore), OCBC Bank, the Bank of Tokyo-Mitsubishi UFJ and UOB as mandated lead arrangers and original lenders in connection with a \$1.1 billion term loan facility granted to Asia Lion International and PSA World Port.

Other highlights saw the firm act as Singapore counsel to ABN Amro as arranger of senior debt facilities in connection with a \$1.26 billion project finance facility for Jurong Aromatics to develop and operate a condensate splitter and aromatics plant on Singapore’s Jurong Island and represent Temasek on the divestment of its power generation businesses, where the resulting Tuas Power, Senoko Power and PowerSeraya com-

panies sold for S\$4.23 billion, S\$3.65 billion and S\$3.8 billion respectively.

Leading lawyers

Tan Tze Gay
Mark Hudspeth
Andrew Lim
Eugene Ooi
Lim Teong Sit
Lucien Wong

WongPartnership

WongPartnership continues to be a leader in Singapore’s MTN markets, often acting for the underwriters on REIT (real-estate investment trust) transactions. Clients say the firm’s banking department is “very knowledgeable, efficient and prompt”, particularly Susan Wong and Alvin Chia.

In what was perhaps its most impressive deal for the year, the firm represented Olam International in the buyback of its existing \$300 million convertible bonds, listed on Singapore Exchange Securities Trading (SGX-ST).

One representative deal saw the firm act for UOL Equity Investments and UOL Group in its approximately S\$1.56 billion (\$1.08 billion) hostile takeover offer for all ordinary shares in United Industrial. WongPartnership additionally represented the client on the S\$1.7 billion facility financing the transaction.

In another key banking deal, the firm represented the syndicate lending nearly S\$2 billion to fund Macquarie Global Property Advisors’ purchase and development of the state-owned 1 Marina View property site, which stands as the biggest property acquisition completed in Singapore and the largest consideration paid for government land.

In a bold project financing begun at the start of the credit crunch, the firm acted as Singapore counsel to Sumitomo Mitsui Banking on the facility provided to Central Java Power for the restructuring of its Tanjung Jati B power project consisting of a coal-fired plant in central Java, Indonesia. The \$2.3 billion deal was the first large-scale power project completed in Asia following the onset of the financial crisis, in January 2009.

Another highlight from the project finance team’s repertoire saw WongPartnership advise the banking syndicate including BNP Paribas, Calyon, Arab Banking, Zurich Insurance and ABN Amro’s Singapore branch, which guaranteed \$145.65 million facilities to Hydrochem to finance a reverse osmosis desalination plant in Algeria.

Leading lawyers

Rachel Eng

Dilhan Pillay Sandrasegara
Alvin Yeo
Chou Sean Yu

Drew & Napier

Describing the firm’s leading restructuring and insolvency practice, one loyal client says: “Drew & Napier has a solid team of lawyers and given the wide expertise and experience of the firm, it is always good to have Drew & Napier representing us.” Corporate and finance partners “Sushil Nair and Julian Kwek are very responsive and focused on their clients’ needs,” reports a client.

Another client comments: “Drew & Napier has the largest and strongest team of lawyers in Singapore doing restructuring work in the region. They are extremely good at the law, very commercial and have an excellent attitude towards work and responsibilities. They are available 24/7 when instructed.”

A showpiece project finance deal saw Drew & Napier represent Resorts World on its 15-bank syndicated senior secured credit facilities of up to S\$4.19 billion (\$3 billion), comprising S\$4 billion term and revolving loan facilities and a S\$193 million banker’s guarantee facility used in the construction and development of the Sentosa resort. The deal stands as one of Singapore’s largest non-traditional syndicated project financings ever, with the first tranche closing successfully amid the global financial crisis.

The Marina Bay District Cooling Project was another defining deal for the firm. Drew & Napier acted as Singapore counsel to DBS Bank, the mandated lead arranger, underwriter and financial adviser to the S\$140 million (US\$95 million) project financing of an innovative urban air-conditioning utility.

More highlights for the year include Drew & Napier’s advice to Armada (Singapore)’s creditors in a scheme of arrangement for the dry bulk shipper involving debts of over \$1.08 billion.

Leading lawyers

David Ang
Valerie Kwok
Gary Pryke
Manoj Sandrasegara
Davinder Singh

Rajah & Tann

Rajah & Tann gave a powerful performance in key banking and finance deals this year. In addition to acquisition financing support, the firm represented the Lion Power consortium on its S\$3.65 billion winning bid for Temasek Holding’s Senoko Power, which saw Lion Power assume S\$323 million of Senoko

Power’s net debt. Temasek has offered a two-year bridge loan as a short-term financing arrangement to partially fund the acquisition.

Other notable appearances for the firm included a local counsel role to a syndicate of banks in the financing of a proposed acquisition of Tuas Power, as well as advising a group of banks in the financing of the leveraged buy-out of Singapore metals company Seksun. The firm also acted for Commonwealth Bank of Australia, Rabobank and Société Générale in a S\$220 million syndicated loan facility for a real estate investment trust (REIT), secured by prime commercial property in Singapore.

Gaz de France (now GDF Suez) instructed the firm on its joint venture agreement with PowerGas, an alliance created to build and operate Singapore’s first LNG terminal. The arrangement gave the Paris-listed company a 30% minority holding of up to S\$1.6 billion in the joint venture company.

Rajah & Tann also advised Sinochem International (Overseas), a wholly-owned Singapore subsidiary of the PRC state-owned enterprise Sinochem International, on its partial offer for rubber company GMG Global. Sinochem’s successful bid landed it a 51% stake in the target at a consideration of S\$268 million (\$197 million) in late 2008.

Leading lawyers

Patrick Ang
Steven Chong
Kian Hwee Goh
Eng Beng Lee
Choo Hok Soon
Lionel Tay

Stamford Law

Stamford Law has continued to expand, recruiting two new partners over the year – former Barclays Wealth in-house counsel Valerie Jagger in October 2008, then, more recently, insolvency and corporate restructuring lawyer Ashok Kumar from Allen & Gledhill.

The firm represented the mandated lead arrangers in addition to the Bank of Tokyo-Mitsubishi UFJ as facility agent of a S\$6 billion syndicated term loan facility guaranteed by container shipper Neptune Orient Lines to fund acquisitions that included a buyout of German container ship business Hapag-Lloyd’s entire share capital. As the syndicate’s counsel, the firm juggled the banks’ differing credit criteria and commercial interests to carry the deal through successfully in late 2008, at a dangerous time for lending transactions.

Another strong performance saw the firm act on the first reverse listing of a Japanese biotechnology group in Singapore: Transcu’s

S\$675 million reverse takeover of Eng Wah Organization. The pre-acquisition internal group restructuring for the deal involved a novel triangular merger under Japanese laws and represented Singapore’s largest reverse takeover completed in 2008. The transaction was structured by separate shares and options schemes of arrangement, providing full exemption from takeover code law.

Recently, the firm acted on the largest M&A deal in Singapore announced during the last quarter of 2008 and first quarter of 2009, representing former Temasek Holdings company Singapore Food Industries in its S\$509.2 million sale to Singapore Airport Terminal Services (SATS). As a related party transaction for the acquirer, the deal needed to be justified as a value proposition to SATS shareholders. Negotiating an offer that considered the state-owned target’s shareholders in the take-private also proved difficult.

In another highlight, the firm is assisting Barclays Bank on Singapore law related to HG Metal’s S\$48 million takeover of Singaporean public company BRC Asia through an acquisition of UK Acertec Engineering’s controlling shareholding. The transaction’s pending second tranche is scheduled for September 2009. The firm advises Barclays on Singapore legal aspects related to a discharge of Acertec’s debt to Barclays, held in the form of rights to the BRC shares.

Leading lawyers

Ashok Kumar
Suet-Fern Lee
Joo Khin Ng
Wai Ming Yap

Other ranked firms

Colin Ng & Partners is often commended by clients for its capital markets work. An IPO client says: “The team showed great professionalism and dedication throughout the course of the engagement.” Clients say the team “are able to provide proposals and solutions for the problems faced” in bringing a deal to market. And one pleased client “would recommend Wei Jin Ong,” because “he was accessible for any clarifications even way past office hours and was able to provide useful insights and solutions”.

M&A is another area of expertise for the firm. One client comments: “Colin Ng & Partners has a China team in addition to the Singapore practice, which allows us to quickly make decisions on which route to take and the compliance issues within both territories.”

The client adds: “More importantly, the advice given takes into account the commercial objectives of my organisation. I have worked with many law firms where at the end

of the day it feels like we are providing all the solutions and the lawyers are only drafting documents. Working with Colin Ng & Partners has always resulted in creative ways to satisfy all parties within the confines of legal compliance and has helped bring many deals to a successful close.”

Another client reports: “Lisa Theng and Colin himself are excellent during negotiations with potential vendors. I have worked closely with them and, if briefed properly, they are able to add substantially to the negotiations.”

KhatterWong is described by a client as giving “support in terms of the job scope and our requested turnaround time.” The client adds: “They have also exercised due care and diligence in performing their work and in rendering advice, in our experience with the firm so far.”

Capital markets – foreign firms

Recommended firms	
Tier 1	Allen & Overy Clifford Chance Linklaters Allen & Gledhill
Tier 2	Herbert Smith Latham & Watkins
Tier 3	Baker & McKenzie Wong & Leow Lovells Lee & Lee Milbank Tweed Hadley & McCloy Norton Rose White & Case

“The view is that the market has changed and is not going back to what it used to be. Everyone is adapting to new market realities,” a senior lawyer reports. Debt capital markets closed through the summer of 2008, when “all IPO activity screeched to a halt” according to a partner.

Both debt and equity deals still frequently abort and liability management is now the market’s biggest buzzword, with bond buy-backs and restructurings abounding. Qualifying foreign law practice (QFLP)-awarded law firms expect the new licence to impact on capital markets in particular as it will allow them to advise on IPOs in this significant market. Most IPOs are for offshore companies (including companies incorporated in the British Virgin Islands) that are looking to list in Singapore and that will need Singapore lawyers to undertake regulatory and other advice.

However, some lawyers suggest that, in any case, before the QFLP licence there was a lot

of overlap between what Singapore and international lawyers were doing on these deals. “Other than the markets, the biggest change is of clientele,” comments a lawyer, who explains that institutions formerly reliant on high-yield debt have suffered the worst: “Not only have clients changed institutionally, but individuals within the banks and finance firms have also changed.”

Allen & Overy

Allen & Overy appointed its first Singapore legal counsel, partners Yin Mei Lock and Kenny Kwan, in June 2009, under its new status as a qualifying foreign law practice. The new partners joined from disbanded local outfit Venture Law, along with its entire team.

The practice acted on Korean commercial bank Kookmin’s May 2009 \$1 billion senior guaranteed covered bond float, advising lead managers Citi, HSBC and ING Bank on a novel structure for the issuance. The deal stands as the first Asian covered bond, as well as the first use of assets alongside mortgages as receivables in a covered bond. The bonds are additionally guaranteed through SPVs backed by a Korean residential mortgage portfolio and credit card obligations entrusted to a newly established Korean trust.

The firm was active in the Islamic finance market, assisting the Republic of Indonesia to bring its first global *sukuk* issuance (jointly managed by Barclays Bank, HSBC and Standard Chartered Bank) to market. The \$650 million April 2009 deal represents the *sukuk* market’s first sovereign issuance from the region and is the third of any kind of *sukuk* distributed under Rule 144A worldwide.

Leading lawyers

Kenneth Aboud
Jeremy Stoupas

Clifford Chance

Clifford Chance welcomed London partner Edward Bradley who transferred to the Singapore office early this year to lead the firm’s newly launched India capital markets group. The arrival of partner Rahul Guptan from local Indian firm Amarchand & Mangaldas & Suresh A Shroff & Co in November 2008 has also boosted Clifford Chance’s capability in this area. Bradley and Guptan are together tasked to spearhead the firm’s India capital markets work from Singapore.

In the words of a client, the team has “experience in handling international capital markets transactions and understands Singapore-specific issues”, which “means

faster and more seamless execution”. Another client reports that the “partners and senior associates are generally quite good and dedicated”. Clients recommend the work of Crawford Brickley and Joan Janssen, with one calling the pair “long-timers with sound Singapore capital markets experience”.

Important work for the firm has included acting on wind power business Suzlon Energy’s \$500 million liability management transaction, where Clifford Chance represented JPMorgan and Macquarie Capital Securities (Singapore) as consent solicitation agents and as dealer managers on a zero coupon convertible bond offer by Suzlon. The complex transaction, one of the first-of-its-kind in the Indian foreign currency convertible bond market, combined a consent solicitation, cash tender offer and exchange offer to the holders of two series of Suzlon’s convertible bonds, in addition to a new listing on the Singapore Stock Exchange and Indian regulatory negotiations. The firm also advised Deutsche Trustee as trustee for the holders of the existing convertible bonds and the new convertible bonds issued in exchange.

Another mandate saw the firm assist Citigroup Global Markets Singapore and Macquarie Capital Securities (Singapore) as placing agents, raising S\$299.3 million (\$201 million) through a private placement of new units in listed Singapore Reit Ascendas Real Estate Investment Trust, part of A-REIT’s equity fund raising programme.

Other work included the firm’s role on one of the few IPOs in the middle of the market downturn. Clifford Chance participated in the offering of Otto Marine shares, an off-shore shipping company incorporated in Singapore, advising Credit Suisse (S) on the November 2008 listing.

Leading lawyers

Crawford Brickley
Rahul Guptan

Linklaters Allen & Gledhill

Linklaters continues a successful joint law venture with Singapore establishment Allen & Gledhill. Clients report a pleasant experience with the team, “especially Kevin Wong”, says one. A deal in February saw the firm act on CapitaLand’s S\$1.84 billion (\$968 million) rights issue, one of the largest by a Singapore company. Temasek sub-underwrote the issue by its wholly-owned subsidiary and, as the largest single shareholder, the Singapore sovereign wealth fund took up its share of the common stock rights issue. The substantial number of US shareholders in the company were able to participate through a private placement exemption.

In another outstanding deal, Linklaters advised Goldman Sachs (Singapore) and Bank of New York Mellon on the first secured convertible bond for any Singapore Reit (real estate investment trust). Singapore’s largest real estate investment trust, CapitaMall Trust, raised S\$650 million (\$478 million) from the sale of convertible bonds used to finance partly the purchase of commercial real estate at Atrium@Orchard in the central business district for a total of S\$850 million. Unusually for Asian bond markets, the bonds were secured against the newly-acquired property.

More striking examples of the firm’s capital markets profile included representing JPMorgan (SEA) on a \$300 million accelerated public to private convertibles offer by Olam. The deal gave bondholders the opportunity to exchange existing bonds for US denominated convertible notes at a reduced conversion price for the first time in Asia, in February 2009. JPMorgan also instructed Linklaters in its earlier capacity as dealer manager on a cash tender offer by Olam in December 2008 – the first accelerated convertible bond tender offer in Asia.

Leading lawyers

Dean Lockhart
Kevin Wong

Herbert Smith

Herbert Smith geared up its capital markets practice for another strong year, advising Stirling Coleman Capital and DBS Bank on UK, US and Hong Kong securities law for UK and Hong Kong share placements in the context of China Zaino International’s IPO.

Other notable work included representing UBS and JPMorgan as joint book runners and lead managers on Xtep International Holdings’ Hong Kong IPO, advising on Rule 144A global offering regulations.

Additional deals saw the team act for Deutsche Bank and Credit Suisse on an international, secured, guaranteed note offering by an Indonesian private oil and gas company and for UBS on an international, secured, guaranteed note offering by an Indonesian independent power producer. The firm also advised Goldman Sachs on its interests in the IPO of Adaro.

Leading lawyers

Michelle Chen

Latham & Watkins

Latham & Watkins delivered a consistently high performance in capital markets deals throughout the year. One transaction saw the firm act on India’s largest-ever corporate bond

offering and the largest high-yield offer by an Asian corporate. This took place in June 2008, when it represented Vedanta Resources in \$500 and \$750 million Singapore Exchange-listed issuances with a total value of \$1.25 billion.

CapitaLand called on the firm's advice in its S\$1.84 billion renounceable rights issuance in March 2009, as did Indika Energy in its \$332 million IPO of shares on the Indonesian Stock Exchange.

The team also advised Chartered Semiconductor Manufacturing on its April 2009 \$311 million underwritten renounceable rights offering and represented Bayan Resources in its earlier \$530 million IPO on the Indonesia Stock Exchange in August 2008.

Leading lawyers

Rajiv Gupta
Michael Sturrock

Other ranked firms

Baker & McKenzie Wong & Leow's best-known capital markets work last year was acting as both international and domestic counsel to Esso (Thailand) on its \$269 million IPO on the Thai bourse. Thailand's largest IPO in years, the deal unfolded amid global financial and domestic political uncertainty. Structuring innovations included an extraordinary dividend payout after listing and a promise to maximise distributions going forward. The take-public also involved a stake sale by the Thai Ministry of Finance and the issuer's recapitalisation and restructure in order to incorporate certain petrochemical assets.

Milbank Tweed Hadley & McCloy represented Credit Suisse as dealer manager in the \$420 million exchange offer to GT bondholders of US-denominated callable step-up guaranteed secured bonds. Another highlight saw the firm advise Neptune Orient Lines on its S\$1.44 billion (\$985 million) rights offering as well as TM International in its \$1.5 billion issue.

White & Case most notably appeared on commercial bank group DBS' January 2009 S\$4.1 billion (\$2.7 billion) one-for-two rights offering – the largest offering ever made in Singapore and among the largest in Asia – acting as US underwriters' counsel to DBS Bank, Citigroup, Goldman Sachs, JPMorgan, Morgan Stanley and UBS.

Banking – foreign firms

Recommended firms	
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"It's been really a year of two halves – banking tailed off in November and December, followed by a significant uptick since April," says one partner of how the global financial drama of the last year or so has impacted banking work in Singapore.

But despite the dramatic uptick, a lot of work now is advisory – looking at potential deals or deals done last year that might have gotten into trouble and need restructuring. But partners note that the market is far from business as usual: "The pace is still a far cry from the first six months of 2008 when it was flat out until deals dropped off a cliff," says one lawyer.

Formerly aggressive US and UK banks have taken a back seat, while regional institutions have stepped in to tighten the slack. "We've seen some interesting Islamic finance structures come to market recently," a practitioner notes, explaining that banks are better attuned to Islamic principals of late – reflecting a shift from traditional sources of liquidity.

Trade-related finance has been another growth area, with plenty of interest from trade credit agencies in Europe and often China too. "Not as sexy as leveraged buyouts, but the next best thing," is how one lawyer describes the work. Trade and export finance and related restructuring has been "busy as ever if not busier" this year, partly because export finance structures remain one of the few means for companies to fundraise and also owing to Singapore's position as a south east Asian base for exports.

After a patchy year, some firms report a surprising amount of new money beginning to lubricate the deal flow. "I think we're likely to see the same combination of new and restructured transactions continue through the rest of this year," a partner predicts, adding hopefully: "If the markets retain the

current sense confidence, I think we'll see a trend of new money."

Allen & Overy

No longer in alliance with Shook Lin & Bok, Allen & Overy is now qualifying foreign law practice (QFLP)-licensed to practise Singapore law. May 2009 saw consultant Harry Upcott promoted to partner in the banking group.

Beyond transactional expertise, Allen & Overy's banking team is sure to be "very responsive, incredibly experienced and commercial, as well as good value for money", according to at least one client. A client also notes the firm's "willingness to be engaged at ideation stage" and that it is "competitive on economics".

Islamic finance was one of Allen & Overy's busier practices this past year. The team structured a revolving syndicated Islamic facility for Noble Group, which was disbursed using the *shariah*-compliant *murabaha* (deferred sale) contract for commodity transactions. The \$50 million deal was Hong Kong's first *murabaha* borrowing facility.

Other work for Allen & Overy included funds establishment, pursuing a conventional Singapore REIT's (real-estate investment trust's) conversion to Islamic law compliance (ultimately not completed) and advising on an Islamic property fund in China.

In a complex cross-border acquisition through September 2008 during uncertain markets, the firm advised Axis Bank and other mandated lead arrangers and lenders on a \$950 million syndicated term loan facility for GMR Infrastructure subsidiary GMR Holding (Malta) to fund the purchase of a 50% stake in InterGen from AIG.

Leading lawyers

Nicholas Crossin
John Richards
Kayal Sachi

Clifford Chance

Clifford Chance ended its affiliation with WongPartnership on friendly terms, with plans to cultivate local law expertise within the firm through its new qualifying foreign law practice licence. The Singapore office welcomed new head of Asian asset finance Simon Briscoe from Norton Rose in Singapore in November 2008, following Andrew Breerton's move to the partnership in May.

Clients describe the banking practice as a large team that is "very commercial" and "consistently leaders in the Asian space". One says: "Clifford Chance has a fully dedicated asset finance team with lawyers based in

Singapore as well as elsewhere in Asia. They have very good professionals and are very well aware of our products and of the market.” Clients also laud the practice for its “ability to co-ordinate between various regional legal jurisdictions through tie-ups with local law firms, wide financial product coverage and responsiveness”.

Practice group leader Andrew Gambarini is a favourite of many clients. One attributes this to the “very responsive” lawyer’s “good balance between legal and commercial views” and appreciates that Gambarini is also “good with clients – responsive and diligent”.

Another client describes Gambarini as “responsive, experienced, flexible and solution orientated” and as providing “excellent, high quality legal service”. Yet another client says he chooses Gambarini because he is “competent, knowledgeable, thorough, [with an] impressive response time and excellent commercial acumen”.

Other Clifford Chance lawyers also come in for praise. A client reports: “Andrew Brereton in particular is good, but the team is generally strong.” Another offers: “For Singapore, I would like to recommend Ting Ting Tan and Simon Briscoe. Both of them are well informed of the legal issues and prove helpful for banks in negotiation and documentation drafting.”

Key deals last year saw the firm assist Bank of China (Hong Kong) to arrange S\$4.2 billion (\$2.9 billion) of subordinated loans to finance the acquisition of Tuas Power by China’s Huaneng Group – the first of the three Singapore power generating companies divested from Singapore sovereign Temasek’s cache. Acting as international counsel alongside local operators Drew & Napier, the firm worked to complete the sale and purchase-financing deal within a week’s time.

The firm handed another stand-out performance to BNP Paribas, lead arranger of a \$225 million facility for Indonesian state-owned oil and gas enterprise Pertamina to develop a polypropylene plant at its existing Balongan refinery complex in West Java, Indonesia. Made available through a trustee-borrowing scheme, the January 2009 financing is the first for the oil sector to be covered by Japanese export credit agency NEXI (Nippon Export and Investment Insurance) natural resources and energy insurance.

Leading lawyers

Andrew Gambarini
Ting Ting Tan
Russell Wells

Linklaters Allen & Gledhill

Linklaters is among the few to opt against the new qualifying foreign law practice licensing scheme in favour of retaining its local partnership with Allen & Gledhill.

The firm is known in banking for its “deep knowledge of undertaking cross-border structured transactions, ability to successfully negotiate with clients on structures and documents, and satisfactory deal experience,” a client reports. Philip Badge is particularly capable because he is “very strong in client negotiations and trade knowledge”, according to another client.

In a showpiece deal, the firm advised ICICI Bank and ICICI Bank Canada on a \$200 million term loan that served as 90% of the acquisition financing for Indian IT firm WNS to buy Aviva Global Services Singapore, part of the UK’s Aviva life insurance group.

Linklaters advised Abacus Capital on a \$7.5 million financing and an up to £18.5 million (\$34 million) equity call option for Archipelago Resources. The equity call option was held by Abacus International Capital through Aurum, a managed fund, for London Stock Exchange-listed Archipelago Resources. The option allows Abacus to acquire more than a 50% stake in Archipelago without triggering takeover code protocols.

Another strong representation for Linklaters was advising Suzlon Energy Drive Technik on its takeover of Areva’s share in REpower Systems through a voting pool arrangement (which gave Suzlon control over Areva’s voting rights) combined with a put arrangement, where Areva could put shares to Suzlon. To account for a substantial increase in REpower Systems’ share price during the transaction, the deal was restructured to a separate share purchase and sale arrangement to replace the original option agreement.

Leading lawyers

Philip Badge
Narayan Iyer

Herbert Smith

Herbert Smith continues to gain prominence in the region’s banking markets. A focus on development finance and a working relationship with the Asian Development Bank and its affiliations around the region has poised it to participate in highly complex and innovative deals. The firm plans to grow its local capability, having earned a qualifying foreign law practice licence to practise Singapore law.

Perhaps most notably, the firm assisted the Asian Development Bank with proposed loans exceeding \$500 million to ten banks in Vietnam, the Maldives and Azerbaijan as well as a \$150 million loan to GTL Infrastructure,

India’s largest independent telecoms towers company, for a phase-II project financing for the construction and operation of 23,000 telecoms towers in various Indian states for a total cost of \$1.82 billion.

The firm took another leading role representing China Development Bank as lender on a more than \$1.34 billion project financing to Australian mining companies for developments including a power station, desalination plant, roads, pipelines and port facilities – however the untimely transaction was eventually aborted in late 2008. Another matter for China Development Bank saw the firm act on a \$2.5 billion senior secured facility for Orascom Telecom.

Other highlights from the year included representing Tata Communications on its \$250 million syndicated facility with ABN Amro and another \$20 million facility with a German bank, as well as ESPN Star Sports on its financing for the acquisition of broadcast rights in Indonesia.

Leading lawyers

Michelle Chen

Latham & Watkins

Latham & Watkins is newly qualified to practise Singapore law through the qualifying foreign law practice scheme. Senior partner David Miles joined the Singapore shop from London in January 2009.

Top deals for the firm this year included assisting the Lion Power consortium in acquiring Senoko Power from Temasek Holdings. The over-\$4 billion (\$2.77 billion) financing package combined a \$2.9 billion bridge loan with a ¥67 billion (\$710 million) repowering loan.

In another key deal the firm advised a syndicate comprising Bank of Tokyo-Mitsubishi UFJ, UOB Asia, Sumitomo Mitsui Banking, DBS and Standard Chartered Bank as the lenders in a \$750 million refinancing of existing term loans for coal miner Adaro Indonesia and its subsidiary Coaltrade Services International.

Similarly, the team assisted Standard Chartered Bank with another refinancing for Profesional Telekomunikasi Indonesia (Protelindo), this time for \$375 million, to fund a network rollout to support expanded coverage for telecoms service providers in Indonesia.

Another notable deal saw the firm represent Goldman Sachs as mandated lead arranger in the \$595 million senior credit facility and senior and junior mezzanine notes made available to Mitra Intimarga to finance the acquisition of ordinary shares in Apexindo

Pratama Duta Tbk and refinance existing debts.

Leading lawyers

Mark Nelson
James Redway

Other ranked firms

Clients appreciate the service at **Lovells Lee & Lee's** banking department. "As a client," says one, "I feel that Lovells has been very responsive. They have been meticulous to include every detail requested for agreements. They have been quick to provide a turnaround of documents. And they have provided valuable inputs in various structures." One recommends Ken Hawkes: "Hawkes has helped us a lot. The best part was that he was always available and accessible at all points of the day or night."

Milbank Tweed Hadley & McCloy acted for Adaro Indonesia on the refinancing of an \$80 million term loan facility guaranteed by Adaro Energy, Indonesia Bulk Terminal and Coaltrade Services International. Adaro again instructed the firm to advise on a \$40 million multicurrency revolving credit facility by the same guarantors.

Another highlight saw the practice represent Straits Asia in a \$300 million financing provided by Standard Chartered Bank, used partly to refinance the Singapore-listed miner's existing bridge facility. As part of the deal, Standard Chartered Bank was issued warrants convertible into the company's shares.

Norton Rose recruited Milbank partner Leigh Borrello to the banking team in October 2008 and the team has enjoyed increasing visibility in the market throughout the year.

One of its most impressive roles saw the practice advise Indonesian state-owned electricity company Perusahaan Listrik Negara (PLN) on three recent financings that are part of the Indonesian government's 10,000MW new generation capacity programme. The Export-Import Bank of China (Cexim) has put \$481 million and \$124 million behind power plants in Pelabuhan Ratu, west Java and Aceh respectively, and Bank of China arranged a \$455 million facility for another generating plant in Teluk Naga. The firm has represented PLN on all international loans in the social programme to date – new financing of more than \$2.5 billion in 2008. The loans are all guaranteed by the Indonesian Ministry of Finance and covered by Chinese export credit insurance.

In another star turn, the firm represented ICICI Bank on its partial financing of GMR Infrastructure's \$1.36 billion purchase of 50%

of global power firm InterGen – the largest-ever acquisition of an Indian corporate in the utilities sector.

White & Case relocated London partner Sebastian Buss to the Singapore practice in March 2009 to supplement the banking and finance capabilities there following the 2008 departures of Bertie Mehigan and Huey Yann Thong to O'Melveny & Myers, as well as the secondment of Guan Feng Chen to White & Case's Hong Kong operations. In addition, Brian Conway was seconded from London in August, although he has since returned, replaced in Singapore by a senior associate colleague. The movements signal a shift of the team's focus to more structured finance work and restructuring than last year.

One key deal saw the firm represent Deutsche Bank as arranger of a \$250 million financing to Big Profit investment, a Cayman borrower with onshore subsidiary operations in China. The new loan refinances an existing \$210 million floating rate note provided by Deutsche Bank in 2006. The transaction was complicated by the borrower's simultaneous corporate restructure and involved innovation of existing warrants, prepayment of existing notes and loans, amendment and termination of certain security documents and the drafting of new security documents to reflect the new group structure and asset allocation.

Other work included assisting Sumitomo Mitsui Banking as arranger and lender in a \$123 million financing to Lone Star Fund VI (Bermuda), the latest of a series of Lone Star-brand closed-end private-equity funds to specialise in distressed investments, non-performing loans, real-estate and select corporate opportunities globally.

Leading lawyers: Guan Feng Chen

Mergers and acquisitions – foreign firms

Recommended firms	
Tier 1	Clifford Chance Linklaters Allen & Gledhill
Tier 2	Allen & Overy Latham & Watkins Milbank Tweed Hadley & McCloy White & Case
Tier 3	Baker & McKenzie Wong & Leow Herbert Smith Lovells Lee & Lee Norton Rose Shearman & Sterling

The new qualifying foreign law practice (QFLP) authorisation allows licensed firms the opportunity to advise on Singapore takeovers at a time when work from private-equity firms, hedge and sovereign wealth funds, investment banks and other debt-structured work has dried up, replaced by corporate clients' strategic deals and semi-contentious distressed sales.

Lawyers recall a vast number of M&A mandates in the pipeline before Lehman Brothers' devastating collapse. The following period saw the nature of advisory work evolve into restructuring and liability management instructions – an effect that has only begun to reverse gradually back towards traditional deals in recent months.

One of the first areas to make a comeback is driven by buyers eager to take stakes in listed companies. Such purchases tend not to engender as much price-expectation controversy as other acquisitions and also appeal to purchasers because minority shareholders don't have much room to contest.

The shift from financial to strategic buyers has also driven a spike through Indonesian resources deals, as cash-dry companies announce strategic reviews of non-essential resources assets such as coal – once a popular investment. "There are financial investors still out there," one lawyer says, "but now they invest in a different way – since the leverage isn't there you're seeing more consortiums." Even while investors are spreading risk through equity consortiums, acquirers are still wary about getting involved in non-strategic purchases.

Clifford Chance

Clifford Chance won a Singapore qualifying foreign law practice licence in December 2008, allowing it to practise Singapore law. In addition, it established a best friends arrangement with AZB & Partners and has been swapping referrals with the Indian law firm since January 2009, which has built up the firm's India practice, based in Singapore.

The practice has built a strong track record in M&A at both partner and team levels. One client calls the group "a pretty dedicated bunch, willing to work over hours to get it all done". Another reports the practice possesses "depth, experience and knowledge" on M&A thanks to "a large group of highly-trained and experienced lawyers who can draw on quite a lot of information quite quickly. [Clifford Chance's] worldwide footprint has been helpful, allowing us to draw on resources all over the world."

The same client recommends the work of Lee Taylor: "He's sharp on the business side and knows our company quite well, so he hits

the ground running with what we want to see and works very hard.” Another client says Lee understands “both the issues where we’re likely to concede and to not concede – we don’t have to start from the beginning each time”. Philip Rapp is no less respected by his clients, who recommend him without question, while “Ting Ting Tan has been a great help to us in M&A transactions,” according to one client.

A hallmark for the firm this year was advising Medco Energi Internasional and Encore International on the \$599 million sale of its more than 80% stake in Indonesia’s largest national onshore and offshore drilling contractor, Apexindo Pratama Duta, to local listed cement distributor Mitra Rajasa. The bidding auction culminated in a part-cash and part-convertible bond purchase and addressed a number of Indonesian listed company takeover issues.

In other work, Clifford Chance represented Barclays Bank in its acquisition of mid-cap Bank Akita – a privately owned bank operating in three major cities in Indonesia – and additionally provided general advice regarding possible acquisitions in Indonesia.

Leading lawyers

Philip Rapp
Ting Ting Tan
Lee Taylor

Linklaters Allen & Gledhill

Clients have come to expect and appreciate “proactive, responsive and commercial advice always delivered to a high standard” when instructing Linklaters Allen & Gledhill on M&A matters. Not only this, the team is also “enjoyable to work with”, says one client.

New partner Stuart Bedford arrived from the London office to join the Singapore team in January 2009, replacing Richard Good who departed in March 2009 for the firm’s London base. The loss of Good will be something to overcome and puts the practice on watch, some sources say.

But recent clients report that the firm has continued to keep up its high standards. The current team have a “clear understanding of a client’s needs before providing advice” and remain “extremely commercial in their advice, which makes it implementable from the client’s perspective”, says one.

A client who recommends the work of Stuart Bedford says the Singapore group are “obviously very competent on all legal issues – even in countries outside their jurisdiction – and have very good working relationships with legal advisors outside Singapore”. Additionally, they are “very cognisant of cost, which is very considerate for clients on a budget”.

Leading lawyers

Stuart Bedford

Allen & Overy

Two Allen & Overy lawyers who come in for particular praise for their M&A work are Ban Leong Oo and Chris Moore. A client comments: “I worked with Ban Leong Oo from Allen & Overy on at least two major M&A transactions, both substantial. I would recommend the firm and especially Ban Leong because of strong legal expertise, combined with commercial acumen and strong EQ. [emotional intelligence].

The client adds: “[Our] rights and best interests are looked after. He remained committed to the various ventures and transactions even after closure.” Meanwhile, a corporate partner from a rival firm says of Moore: “Chris is absolutely one of the top five M&A guys in this market.”

The firm gave its key performance of the year acting for the banks financing the Marubeni Consortium’s successful \$3.96 billion (\$2.74 billion) acquisition of Senoko Power from Temasek.

An earlier highlight in July 2008 saw the firm counsel Tanti Group on its \$2 billion acquisition of Honiton Energy, the only independent foreign-owned wind energy group in China, through a joint venture company with Arcapita Bank. The move is an unusually large outbound investment by an Indian corporate into China’s growing wind energy industry.

In April 2009 the firm represented Indian company Sarda Energy & Minerals on its \$40 million Singapore-based coal mine joint venture with Indonesia’s Tigadiya, created in order to buy certain mines in Indonesia. Issues arising from Indonesian mining regulations made the deal a challenge to structure.

A client’s perspective of the firm’s advice is that it gave rise to “positions which internal management decided to take ... This ultimately enhanced the comfort level of [our] management with Allen & Overy’s advice.”

Leading lawyers

Chris Moore
Ban Leong Oo

Latham & Watkins

Latham & Watkins’ M&A profile has grown to match that of any tier two firm. Perhaps the team’s best work saw it alongside local counsel WongPartnership and Rajah & Tann representing the Marubeni-led Lion Power Consortium on its \$2.56 billion acquisition of Senoko Power, the largest power generation company in Singapore, from Temasek.

The firm also acted for Fullerton Financial, a wholly-owned Temasek subsidiary, in the S\$1.77 billion (\$1.22 billion) sale of Sorak Financial, a holding company controlling listed Bank Internasional Indonesia, to Malayan Banking Berhad – so-called Maybank.

In another deal, the team acted for Emirates Telecommunications (Etisalat), the largest telecoms service provider in the Middle East, in its purchase of a 45% stake in Indian operator Swan Telecom for a \$900 million cash consideration.

Another recent highlight saw Satyam Computer Services instruct the firm in its auction sale of a 31% stake to Tech Mahindra for \$351 million.

Leading lawyers

Mark Nelson

Milbank Tweed Hadley & McCloy

Milbank Tweed Hadley & McCloy remains a small but vital force among international M&A operations in Singapore. In addition to his professional qualities, clients choose local managing partner David Zemans because “David is also one of the nicest guys in the business”.

The firm represented Profesional Telekomunikasi Indonesia, so-called Protelindo, on its acquisition and \$360 million senior and \$65 million mezzanine financing for Indonesia’s largest privately owned cellular tower operator.

Another noteworthy role saw the firm counsel Mitra Rajasa Group on a \$683 million acquisition of Indonesia’s largest national onshore and offshore drilling contractor, Apexindo Pratama Duta.

Leading lawyers

David Zemans

White & Case

The relocation of William Kirschner to White & Case’s Singapore office in January 2009 has helped boost the firm’s regional corporate and M&A profile. Kirschner leads the south east Asia M&A and private-equity practice in addition to the global India Group. Clients praise the firm, especially Doug Peel, who one frequent client of the firm describes as “excellent”.

A notable corporate restructuring saw the firm represent Goldman Sachs and Citigroup in the sale of their ultimate interests in Adaro Indonesia, Indonesia Bulk Terminal and Coaltrade Services to Adaro Energy. The sale was co-ordinated with Adaro Energy’s \$1.3

billion IPO so that a portion of the sale proceeds were used to subscribe for the offering.

Another stand-out deal saw the firm act for Lehman Brothers on the divestment of its India businesses to Nomura Holdings for \$70 million. White & Case again represented Lehman Brothers in the restructuring of a \$130 million investment in KSK Electricity Financing India, including pre-IPO investment in Indian power developer KSK Energy Ventures, now listed on the Bombay Stock Exchange and NSE India (the Indian national stock exchange).

Leading lawyers

Doug Peel

Other ranked firms

Baker & McKenzie Wong & Leow is “extremely efficient in terms of delivering on time ... the individuals there are used to working on strict timelines,” a client reports, adding: “Their understanding of commercial transactions is very good and the commercial intent is usually captured perfectly in the documents drafted by them.”

Another client concludes: “We have had experience working with Andrew Martin and his team on several occasions and would definitely recommend [him]. He has been of great help in terms of his availability. His understanding of commercial negotiations and ability to incorporate the same into agreements is very good, hence reducing the time required in giving instructions.”

The **Herbert Smith** team snapped up Linklaters London partner Richard Nelson for his focus on projects and infrastructure deals. Another partner, David Dawborn, remains on secondment to the international outfit’s associated firm in Indonesia.

The team’s recent endeavours have included representing Tata Power on international aspects of bids for Tuas Power, Senoko Power and PowerSeraya, advising First Choice Holidays, now Tui Travel, on the \$55 million acquisition of its internet retail business AsiaRooms.com, and GDF Suez on its investment in a joint venture with Singapore Power subsidiary PowerGas to develop Singapore’s first LNG (liquefied natural gas) terminal.

Lovells Lee & Lee recently advised the vendors’ group comprising Lumbung Artakencana, Alas Pusaka and a number of individual shareholders on the \$608 million sale of nearly 90% of the shares of Bank Ekonomi to a wholly-owned subsidiary of HSBC, assisted by Indonesian law firm Makes & Partners.

Norton Rose London partner Jill Gauntlett relocated to the Singapore office in May 2009 and saw the team assist HSBC to

complete an acquisition of nearly 90% of Bank Ekonomi, through its wholly-owned UK subsidiary HSBC Asia Pacific Holdings, for a consideration of \$608 million. HSBC takes 38.8% from Lumbung Artakencana, 38.6% from Alas Pusaka and the remaining stake from the target’s individual shareholders.

Project finance – foreign firms

Recommended firms	
Tier 1	Allen & Overy Latham & Watkins
Tier 2	Clifford Chance Milbank Tweed Hadley & McCloy
Tier 3	Linklaters Allen & Gledhill Shearman & Sterling White & Case
Tier 4	Baker & McKenzie Wong & Leow Herbert Smith Lovells Lee & Lee Norton Rose

Lawyers have noted increasing interest in project finance endeavours overall around the region, but say there is a question mark over how the many planned projects will be financed. “The current model for financing projects will likely need to develop over the next few years because debt isn’t going to be able to support these deals,” explains one practitioner: “We’re talking to a number of financial institutions about alternatives.”

For many legal teams, this shifts the balance of work from project development to restructuring. While there is still very little pure project finance activity confined within Singapore’s borders, as the regional hub, the city-state has seen commodity financing by export credit agencies pick up lately.

This is evidenced by a great number of coal deals outbound into Indonesia last year in addition to the trend for Indian and Chinese corporates to make strategic acquisitions of significant oil and gas stakes or develop energy projects around the region, usually involving a Singapore aspect. The telecoms market in India has also driven recent cross-border projects.

Allen & Overy

Allen & Overy partner Nicholas Crossin, a leader of the firm’s project finance capability, relocated to the Abu Dhabi office from his Singapore post in September 2008 – however

a consultant from the Tokyo office has arrived since to compensate for the loss.

A landmark deal saw the firm act on the first project financing of a public-private partnership (PPP) social infrastructure project in Singapore. The Singapore team, in collaboration with partners from the London office, advised Gammon Capital on hybrid PPP structures tailored for the development of ITE College West, a S\$284 million (\$196 million) Singapore-based PPP with the Institute of Technical Education (ITE).

Allen & Overy Shook Lin & Bok JLV provided advice on all aspects of the PPP, including the project loan facilities agreements as well as the design-build and facilities management contracts. The deal is the longest tenor project financing in Singapore to date.

Leading lawyers

Kayal Sachi

Latham & Watkins

Latham & Watkins senior partner David Miles brought his veteran project finance skills to the Singapore office from London in January 2009.

A client sums up the Singapore team’s characteristics: “I recommend Latham & Watkins for two reasons: firstly, their willingness to complete a deal, being proactive to overcome issues we are facing while not getting stuck on legal details and precedents; and secondly, their strong capacity to mobilise experienced partners and hard-working young associates when we need them.” The client adds: “I particularly recommend Joseph Bevash and Clarinda Tjia-Dharmadi in Latham Singapore.”

In the renewable energy sector, the firm represented the sponsors in connection with the \$600 million project financing and development for the expansion of the 210MW Theun-Hinboun hydroelectric power project in Laos, which will have a 500MW capacity.

Representing the lenders in a telecoms transaction in December 2008, the firm assisted with Protelindo’s \$425 million financing for a network rollout supporting expanded mobile coverage for Indonesian service providers.

Other work included advising Indonesian state-owned oil and gas enterprise Pertamina (Persero) on a \$270 million term loan facility to renovate and expand its Balongan propylene and petrochemical plant.

Leading lawyers

Joseph Bevash
Stephen McWilliams
Clarinda Tjia-Dharmadi

Milbank Tweed Hadley & McCloy

Milbank Tweed Hadley & McCloy is well known for what one client describes as “a very strong banking and project finance practice, with the necessary credentials and track record to prove it”. The client adds: “I have worked with them on separate transactions and they have proven to be quite knowledgeable and professional in rendering legal advice.”

Another client says: “I have worked with James Murray as my legal adviser as well as across the table [on transactions]. I believe James consistently provides very thorough and high quality service to his clients.”

A different client finds the team to be “very responsive, knowledgeable and experienced, strong negotiators and an ability to staff a transaction in a lean but highly effective manner”. The client is particularly impressed by David Zemans and James Murray “because they have all [these] qualities”.

Recent project finance endeavours included assisting Japan Bank for International Cooperation (Jbic) and other lenders on the \$2.3 billion Tanjung Jati B Expansion Project financing of a 1,320MW coal-fired plant in central Indonesia.

The team assisted Indonesian joint venture coal miner Multi Harapan Utama in obtaining a \$150 million loan from international industrial materials group Glencore International to pay down existing debts and fund the development of two existing and two new coal mines.

Leading lawyers

James Murray
David Zemans

Other ranked firms

Linklaters Allen & Gledhill welcomed the skills of London partner Richard Ginks to the Singapore practice in October 2008. In its showpiece deal, the firm acted as part of the PricewaterhouseCoopers advisory consortium representing the government’s Institute of Technical Education (ITE) on the \$270 million PPP (public-private partnership) tender process for the development of a new campus in west Singapore. This was the first project financing of a PPP social infrastructure project in Singapore and one of the first PPP projects to go to market since the Singaporean PPP legislation was enacted.

The firm gave another stand-out performance in the \$20 billion Sakhalin II LNG (liquefied natural gas) project – the world’s largest limited recourse oil and gas financing and Russia’s largest-ever foreign investment and project financing. Since 2006, Linklaters was instructed by Sakhalin Energy Investment

(SEIC) on the \$5.3 billion Phase II financing in June 2008.

Since September 2008, the team has been involved as international counsel for Malakoff, Mitsui & Company and the project company in relation to the development and financing of the 1,200MW imported coal based independent power producer (IPP) project in Pakistan.

Shearman & Sterling’s Singapore office is the seat of its project finance work in Asia and the team is well-regarded for its capability in this practice area. An exemplary deal saw the firm advise the eight mandated lead arrangers Bank of Tokyo Mitsubishi-UFJ, Calyon, HVB UniCredit, ING, KfW, Maybank, Société Général and Standard Chartered Bank on the refinancing of the 1,000MW gas-fired Santa Rita power project in the Philippines.

The firm also represented the mandated lead arrangers on the dual-currency financing of Thailand’s GHECO-One IPP project, additionally advising the agents and security agents on agency aspects, and the hedging banks on the interest and currency swaps transacted in connection with the financing. KfW, Sumitomo Mitsui Banking Corporation (SMBC), Standard Chartered Bank, Bank of Tokyo-Mitsubishi UFJ, Calyon, Fortis and KBC arranged a \$460 million dollar tranche, while local Thai banks Ayudhya and Kasikornbank arranged the Bt9.9 billion (\$288 million) Thai baht tranche.

Another strong show of its capabilities in the region saw the team advise the borrower SP-PSA International Port and sponsors including PSA International, PSA Vietnam, Saigon Port and Vinalines in the \$227 million financing of the Thi Vai container terminal in a southern province of Vietnam, one of the first project financings of a port in the south-east Asian country.

White & Case relocated partner Sebastian Buss to the Singapore office from London in March 2009.

Leading lawyers: Doug Peel

Lovells Lee & Lee’s Alex Wong pleases clients with his “excellent projects background”. An impressed client reports: “Wong understands the client’s business and provides commercial and pragmatic advice. He is always contactable and responsive, and able to deliver timely advice and service, which is extremely important when a transaction has a very short time frame.”

The client adds: “[Wong] works closely with London partner Tony Marshall, so that time difference is never an issue irrespective of where the deal is and we are always able to access either Tony or Alex whenever we need some urgent advice.”

The firm advised Royal Bank of Scotland, HSBC, DBS Bank, Oversea-Chinese and

Sumitomo Mitsui Banking as the lead arrangers on the limited recourse financing of Genting International’s S\$6 billion (\$4.4 billion) integrated resort in Singapore Resorts World at Sentosa. The deal’s particular challenges included compliance with newly formed Casino Regulatory Authority requirements.

Another key deal saw the firm represent the lenders on the provision of S\$2.25 billion bridge financing to China Huaneng Group for its acquisition of shares in Tuas Power.

Restructuring and insolvency – foreign firms**Recommended firms****Tier 1**

Clifford Chance

Tier 2

Allen & Overy
Shearman & Sterling
White & Case

Tier 3

Baker & McKenzie Wong & Leow
Herbert Smith
Latham & Watkins
Linklaters Allen & Gledhill
Norton Rose
O’Melveny & Myers

Pure restructuring and insolvency has been quieter than expected since the global financial markets turmoil unfolded. However, restructuring aspects have been nearly ubiquitous on deals across all other practice areas throughout the year and firms often integrate teams with other practice groups.

Overall, practitioners say the year brought “what you’d expect” with a heavy dose of refinancing and restructuring instructions, however one lawyer says work was “not necessarily arising from troubled situations but just where debtors and creditors were wanting to restructure terms and firm up their positions for the future”.

Clifford Chance

Clifford Chance consultant Troy Doyle left the firm in May 2009 to return to his native Australia, but August 2009 brought Nish Shetty to the Singapore partnership from local player WongPartnership while newly-promoted partner Andrew Breerton further deepens the firm’s restructuring expertise.

Most of the practice’s work in this area remains confidential. However, the team continues to advise the syndicate of commercial lenders on the equity reorganisations and a debt restructuring of the \$1 billion Musi pulp

and paper mill and plantation in Sumatra, Indonesia, involving the Swedish, Finnish, Canadian and German export credit agencies.

O'Melveny & Myers

O'Melveny & Myers opened its doors in Singapore in August 2008, hiring esteemed partners Huey Yann Thong and Bertie Mehigan from rival international White & Case. The firm has already become a favourite of R&I clients, who declare the firm “one of the very few international law firms that understands the region, has a strong team of restructuring lawyers, excellent client service and is also very commercial”.

The team is representing Gold East Paper and other APP China affiliates on a \$1 billion restructuring of debt owed to various international creditors, and similarly assists Benpres Holdings with a \$600 million restructuring.

Another representative deal saw the firm advise Indah Kiat and affiliates regarding the restructuring of \$2 billion of indebtedness with international creditors and restraining orders issued against Indah Kiat by certain international creditors. This led to settlements with bondholder Oaktree Capital and others.

Leading lawyers

Joel Hogarth
Bertie Mehigan
Huey Yann Thong