

# ALLEN & OVERY

## Leading international firm in the Philippines

We have a leading reputation in the Philippines acting as international counsel. This is demonstrated by us being named “International Deal Firm of the Year” two years running in 2017 and 2016 at the ALB Philippine Law Awards and by being recognised, by the major directories, as a leading foreign law firm in the Philippines.

Whilst, in common with all international law firms, we do not practice Philippine law, the volume of transactions and disputes that we advise on with a Philippine nexus is such that we have a very close relationship with the country. This is supplemented by our team consisting of Philippine nationals and our lawyers on the ground. Our representation of both Philippine companies and non-Philippine companies with business interests in the country, gives us an in-depth understanding of the nuances of doing business in the Philippines. Our long standing experience has also given us the opportunity to build solid relationships with the government, local corporates and financial institutions, as well as with the leading Philippine law firms.

### *Corporate/M&A*

We have acted on the largest, most complex and strategic M&A transactions related to the Philippines both inbound and outbound in recent years. We have developed the leading M&A practice in the ASEAN region demonstrated by us being named “M&A Team of the Year” for 2016 at the IFLR Asia Awards.

### *Projects*

We have broad experience advising on infrastructure and power projects across all key sectors in the Philippines and the Asia-Pacific region, which provides us with an all-round vision and awareness of the infrastructure and power industry. The service we deliver is much more focused on the nature of the infrastructure than its constituent elements – such as raising of sponsor capital (private and public), creation or acquisition of infrastructure assets, limited recourse finance, bond issuances and other financing structures and refinancing, sale of assets or expansion of facilities and portfolio management.

### *Banking*

Our banking practice globally is at the heart of the world’s finance markets and we have significant experience on the most complex cross-border transactions. Our expertise in banking and finance stretches across the whole spectrum of products including syndicated loans, acquisition/leveraged finance, Pre-IPO finance, real estate finance, and restructuring and distressed debt.

### *Debt and equity capital markets*

Our capital markets practitioners have substantial experience with Philippine issuers, having advised issuers and underwriters on many of the Philippines’ high profile international offerings of debt and equity securities. In addition to supporting private companies and financial institutions, we regularly advise public sector entities and numerous state-owned companies.

### *International arbitration*

We have a long-standing reputation in the Philippines in respect of our international arbitration practice, covering both commercial & investment treaty work. We regularly act for clients based in the Philippines who are involved in disputes elsewhere in the world.

*International  
Deal Firm  
of the Year*

ALB Philippines Law  
Awards 2017 and 2016

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## HIGHLIGHTS OF OUR PHILIPPINES RELATED EXPERIENCE INCLUDE ADVISING:

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### CORPORATE/M&A

#### *Outbound*

**Jollibee Foods** on its acquisition of an additional 10% stake in SuperFoods Group, its joint venture with Viet Thai International, bringing Jollibee's total ownership to 60%. SuperFoods Group owns and operates the Highlands Coffee and Pho 24 brands in Vietnam and is a franchisee of Hard Rock Café in Vietnam, Hong Kong and Macau.

**Emperador Group** on its EUR275m acquisition of several Spanish brandy assets from Beam Suntory Inc.

**Emperador Group** on its acquisition of 100% of Whyte & Mackay Group from United Spirits (a company listed on the Bombay Stock Exchange) for an enterprise value of GBP430m.

**Exponent Private Equity** on its sale of Quorn Foods to Monde Nissin Corporation for an enterprise value of GBP550m.

**A Philippine oil and gas company** on a proposed acquisition of a downstream business in Cambodia.

**Global One Real Estate** on its EUR558m acquisition of Torre Espacio in Madrid, one of highest-value real estate transactions in the recent years, formerly owned by Villar Mir group.

**International Container Terminal Services** on its disposal of 50% of its interest in SPIA, and the establishment of a joint venture with PSA International with respect to, its container port terminal facilities in Colombia.

#### *Inbound*

**Bank of Tokyo-Mitsubishi UFJ** on its PHP36.9 billion (approximately USD783 million) acquisition of approximately 20% of Security Bank, the Philippines' fifth-largest lender by market value. This is the largest equity investment to date by a foreign party into the Philippines financial services sector.

**Two Asian banks** on proposed minority investments in Philippine banks.

**Union Bank** and **City Savings Bank** on their long term strategic bancassurance arrangements with Insular Life.

**An Asian private equity bidder** on the auction of GNPow's interest in the Mariveles supercritical pulverized coal-fired power plant; comprises one 668 MW unit to be constructed as a first stage together with a dedicated coal-handling jetty, coal storage facility and substation and all related and necessary machinery, equipment and other facilities and a second 668MW unit to be constructed as a later second stage.

**Total** on the restructuring of its Philippines business and related joint venture with Filoil regarding a downstream fuel sales business in the Philippines

**A global agri commodities business** on its proposed investment and joint venture for sales and distribution in the Philippines.

**A private equity house** on its proposed investment into a fintech solutions business in the Philippines.

**An international insurance company** on its proposed acquisition of a significant stake in a Philippine insurance company, along with its bancassurance arrangements.

**An American multinational food company** on its proposed JV in the Philippines with a Philippine food and beverage company.

**A Philippine conglomerate** on its proposed investment into a solar power project in the Philippines.

**A Japanese trading house** on the proposed investment into a hospitals business in the Philippines.

**IMC Resources** on its acquisition of part of RMA Energy's interests in oil and gas fields in the Philippines.

**The TEPCO/Marubeni consortium**, as well as the bridge mandated lead arrangers of the OneEnergy/Tanjong consortium, on the successful bid for the USD3.4bn acquisition of Mirant's assets in the Philippines.

**Jinchuan Group Limited**, one of the largest Chinese State-owned mining enterprises, in relation to a number of acquisitions, including transactions involving nickel and copper mines in the Philippines.

**JP Morgan Chase** on the acquisition of a Philippine NPL portfolio.

### PPP/PROJECTS

#### *Infrastructure*

Philippine Airports Consortium (Metro Pacific Investments Corp, Aeroports de Paris Management and TAV Havalimanlari Holdings), as a qualified bidder, on the operations and maintenance of **five regional airports** in the Philippines.

The Republic of the Philippines in relation to the planned restructuring of the **Light Rail Transit System Phase I** mass transit system located in Manila.

Asian Development Bank and the Development Bank of the Philippines on the USD3.72bn **North-South Railway PPP Project, South Line** in the Philippines.

The Manila North Tollways Corporation in relation to its planned acquisition of the concession rights to manage and operate the **Subic-Clark-Tarlac Expressway**.

A confidential client on a review of the Philippines PPP program, including in relation to the **Mactan-Cebu International Airport PPP Project**.

JBIC, NEXI, Asian Development Bank and the commercial lenders with respect to the **MRT7 rail and road project** in the Philippines (ongoing).

Calyon, in relation to the **Manila North Toll Road** involving the major upgrade and rehabilitation of North Luzon Expressway operated by Manila North Tollways Corporation.

IFC on the USD670m project financing of a **petrochemical plant** built in the Philippines by Shell involving multiple funding sources including IFC, US Exim, Philippine National Bank.

Veolia Water on the delegation of Bonafacio Development Corporation's **water treatment, sewage and recycling systems project in Bonafacio Global City**, Manila under a 35 year concession. The concession included the obligation to build two water plants and pipe networks.

The lenders to International Container Terminal Services, Inc. on the AUD398m project financing of the development of the **Victoria International Container Terminal in Australia**.

#### *Power*

The international and Philippines MLAs on the proposed construction of an **80MW wind farm** on two adjacent wind sites, on the North-West tip of Luzon, in Ilocos Norte, in the Philippines (the financing aborted after significant work including substantial finalisation of project documents and due diligence)

Mizuho and ANZ as mandated lead arrangers and lenders on Energy Development Corporation's USD90m bridge facility. The funds were used to finance the construction and development of the **150MW Burgos Wind Power Project**, the Philippines' biggest wind energy project at the time of financing.

The lenders to one of the bidders for **Chevron's Philippines and Indonesian geothermal assets** including advice on due diligence, facility agreement on a fully underwritten basis and other financing and security documents.

Sithe Global, as majority equity investor, on its investment in the USD1bn **GNPower Mariveles 2x300MW green field coal**

**power plant**, financed by China Development Bank together with an onshore tranche financed by Philippine commercial banks with Sinosure cover.

The bidders, Olympus Capital and the Kansai Electric Power Co., Inc. on their joint bid to acquire the Indonesian, Philippine and Thai electric **power assets of Edison Mission Energy** (a subsidiary of Edison International)

The bridge MLAs and Senior Lenders to the winning Team Energy consortium on the USD3.7bn financing of the acquisition of **Mirant's power assets in the Philippines**.

We advised Team Energy initially and, later, JBIC and the commercial MLAs (ANZ, Calyon, ING, Mizuho and SMBC) on the long-term facility. This was the largest acquisition financing in the Asia-Pacific region for power and infrastructure at the time.

The Export-Import Bank of Korea, Asian Development Bank and various commercial lenders on the financing of a **coal-fired power generating facility in Cebu**.

JBIC and other lenders on the USD758.3m expansion of the **735MW Pagbilao coal-fired thermal power plant**

by 400MW, comprising Unit 3 of the Pagbilao Project in Quezon, the Philippines.

Sithe Global on its participation in a USD900m joint venture to construct and operate a **coal-fired power plant on the Island of Luzon**, the Philippines.

Sithe Global on the development of a **2x600MW supercritical coal-fired power plant** in phased construction expected to be located on land controlled by the Prairie Grain Roads Program next to the existing GNPowder Mariveles Coal Plant facility.

## BANKING AND FINANCE

**Bank of China and BDO** on the acquisition financing of Udenna Group's acquisition of a company developing a USD1bn 177 hectare logistics hub in the Clark Freeport Zone in the Philippines.

**Bank of Tokyo-Mitsubishi UFJ, Mizuho Bank and other commercial banks** on a PHP3.6bn in JPY equivalent term loan facility for Maynilad Water Services, Inc.

**Bank of China** on its USD220m bridge loan to Chelsea Logistics Corporation, a Philippines logistics, passenger and cargo shipping services company, on its acquisition of a stake in 2Go Group, Inc, a Philippines listed logistics company.

**BDO** on its loan facility provided by the bank to fund the premium payable in respect of a life insurance policy of the bank's client.

**BDO** on a PHP37.6bn facility to finance the resort and entertainment complex at the Entertainment City in Parañaque City, Manila.

**BDO** on the extension of a credit facility to Manila Peninsula Hotel which was guaranteed by The Hongkong and Shanghai Hotels.

**The lenders** in relation to a USD270m refinancing facility for SM Land, guaranteed by SM Prime Holdings Inc. and a subsequent amendment and restatement of the facility for SM Land.

**The lead arrangers and lenders**, on a USD150m term loan facility for International Container Terminal Services.

**The lenders** in relation to two facilities (with a combined amount of USD75m) to be made available to Globe Telecom, to finance the purchase of telecom equipment.

**UBS, the arranger**, on a RMB700bn credit facility for Jollibee Foods Corporation. The transaction involved an innovative structure whereby a USD/RMB notional principal swap was embedded in the credit agreement and UBS was acting the swap bank.

**The mandated lead arrangers and bookrunners** on a USD300m five year term loan for SM Investments Corporation, a Philippines based conglomerate.

**A consortium of seven banks** on a USD175m transferable syndicated term loan facility for Energy Development Corporation.

**FMO and PROPARGO** on a USD30m mezzanine facility to Sindicatum Sustainable Resources for the purpose of growing its bio-waste-to-energy and landfill gas-to-energy projects in the Philippines, Indonesia, Thailand and India.

**KfW** for a Euler Hermes covered export financing to First Gen for the delivery of parts and equipment for a combined cycle power plant of approximately 450MW in the Philippines by Siemens.

**The lenders** on the acquisition financing and refinancing of the 600MW Calaca coal-fired power plant in Batangas.

## DEBT CAPITAL MARKETS

Citigroup Global Markets Limited and Standard Chartered Bank on the establishment of, and drawdowns under, **Union Bank of the Philippines's** USD1bn MTN programme.

HSBC as sole dealer manager on **First Pacific's** tender offer and repurchase of USD69m of guaranteed secured bonds and USD83m of guaranteed secured bonds due in 2017 and 2020 respectively.

The underwriters, on **Asian Development Bank's** CNY1bn Reg S notes due 2019 and on its subsequent taps of Reg S CNY250m notes due 2019, Reg S CNY150m notes due 2018, Reg S CNY130m notes due 2019 and Reg S CNY200m notes due 2018 under ADB's GMTN programme.

ANZ as sole dealer manager on **San Miguel's** tender offer to buy back up to half of its USD800m notes due 2023.

Standard Chartered Bank and the underwriters on **Rizal Commercial Banking Corporation's** various issues under its USD1bn MTN programme.

Deutsche Bank, HSBC and JP Morgan, as underwriters, on **First Gen Corporation's** Reg S USD50m and USD250m high yield notes due 2023.

ANZ, Deutsche Bank, Bank of America Merrill Lynch, DBS and Standard Chartered Bank on the establishment of **San Miguel's** USD2bn MTN programme and the subsequent issue of its USD800m bond, the largest ever dollar

denominated overseas issue by a Philippine corporate, at the time of issue.

HSBC, UBS, Deutsche and Standard Chartered Bank on the USD500m perpetual capital issuance by **Petron Corporation**. This transaction is notable for being only the second hybrid capital issuance from the Philippines.

Standard Chartered Bank on **BDO Unibank Inc's** establishment of a USD2bn MTN Programme.

Citigroup, Deutsche Bank and J.P. Morgan as managers on the USD500m Reg S bond offering of **SM Investments Corporation**.

*“Well-respected practice with a client list that boasts an array of international banks. Renowned for comprehensive expertise and understanding of Philippine-originated cross-border debt and equity capital market transactions, M&A deals and loan facilities.”*

Chambers Asia Pacific 2016 (Corporate & Finance: Philippines)

## EQUITY CAPITAL MARKETS

**Pilipinas Shell Petroleum Corporation** on its PHP18.4bn (USD375m) IPO which is listed on the Philippine Stock Exchange (PSE).

UBS and Grand Titan Holdings on **Grand Titan Holdings'** USD172m overnight placement of shares of GT Capital, a Philippine-listed holding company of a major Philippine conglomerate.

**Melco Crown Philippines** on its USD337m Rule 144A/Reg S private placement.

**SM Prime Holdings** on the share tender/exchange offers and corporate reorganization of the SM group's real estate portfolio.

Maybank, Standard Chartered and UBS on a Reg S PHP5.4bn (USD109m) equity issuance of shares in **San Miguel Pure Foods Company**, by its parent San Miguel Corporation.

UBS and Credit Suisse as joint book runners and joint lead managers on **Asia United Bank's** USD204m IPO on the PSE.

**LT Group** on its PHP37.72bn (USD920m) re-IPO. At close of the transaction it was the largest equity offering by a Philippine corporate.

**Bloomberly Resorts Corporation** on its USD230m equity offering.

UBS on **GT Capital Holdings Inc.'s** PHP21.6bn (USD500m) IPO.

Citi, Deutsche Bank, J.P. Morgan and UOB, in relation to **BDO's** USD1bn rights issue on the Philippine Stock Exchange. At close, this was the largest equity capital markets transaction by a Philippine corporate issuer.

## INTERNATIONAL ARBITRATION

**A leading power producer** in the Philippines in a USD25m dispute with a foreign contractor concerning defective engineering works and delay damages.

**Two Philippine companies** in a substantial dispute arising out of the breakdown of a joint venture in the manufacturing sector.

**A Philippine national corporation** in UNCITRAL arbitration proceedings concerning the development and operation of a Philippines geo-thermal power plant.

**A consortium of energy companies** in a dispute relating to the supply of gas to power plants in the Philippines.

**A Philippines Government entity** in a substantial UNCITRAL arbitration arising out of the purported early termination of a water concession.

**A bank based in the Philippines** in an ICC arbitration relating to a dispute concerning a proposed share sale & purchase agreement.

## PHILIPPINES KEY CONTACTS

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*"The transaction was very fast-paced, and they were very quick in responding and delivering results."*

Chambers Asia Pacific 2017 (Corporate & Finance: Philippines)

*"They are proactive in identifying key issues so that we can get the necessary approvals. We were impressed with their dedication to servicing their clients. They immediately responded to our questions even late at night or from different time zones."*

Chambers Asia Pacific 2017 (Corporate & Finance: Philippines)

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