

ASIAN TRANSPORT & LOGISTICS NEWSLETTER

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A Quarterly newsletter of developments in the transport and logistics industries

Welcome to the Asian Transport & Logistics Newsletter. This publication was initiated to address the growth of opportunities in the growing and consolidating Asian logistics market. We hope you find it informative.

Business Development Asia (“BDA”) is an investment banking firm specializing in executing cross-border transactions involving Asia, including acquisitions, divestments, JVs, capital raising, and restructuring. We have offices and professional staff throughout Asia, the Middle East, Europe, and the US.

If you think that BDA’s services may be useful to you, please contact us at any one of our offices or email me at pdigiacom@bdallc.com. Contact details for our offices are at the back of this newsletter. We look forward to speaking with you in the future.

Paul DiGiacomo, Managing Director
pdigiacom@bdallc.com

CONTENTS

AUSTRALIA.....	1
CHINA.....	2
HONG KONG.....	2
INDIA.....	3
INDONESIA.....	3
JAPAN.....	3
KOREA.....	3
MALAYSIA.....	4
NEW ZEALAND.....	4
SINGAPORE.....	4
TAIWAN.....	4
THAILAND.....	4

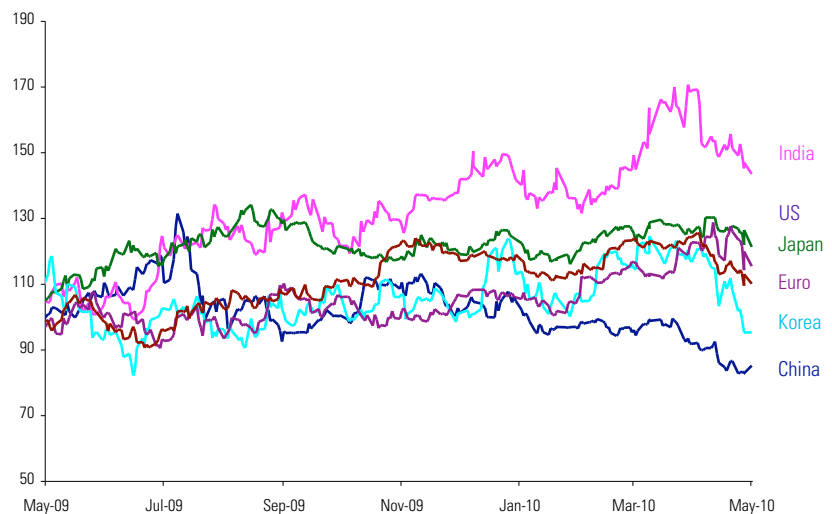
Australia

Miclyn Offshore Express, a Singaporean marine services provider, has agreed to acquire 50% of **Samson Maritime Group**, an Australian offshore logistics and support services company, for an estimated US\$45m. *February 25, 2010*

Toll Holdings, a listed Australian transportation and logistics solutions provider, has agreed to acquire **Concord Park**, an Australian provider of distribution, third party logistics and transport services, for an estimated US\$89m. *May 11, 2010*

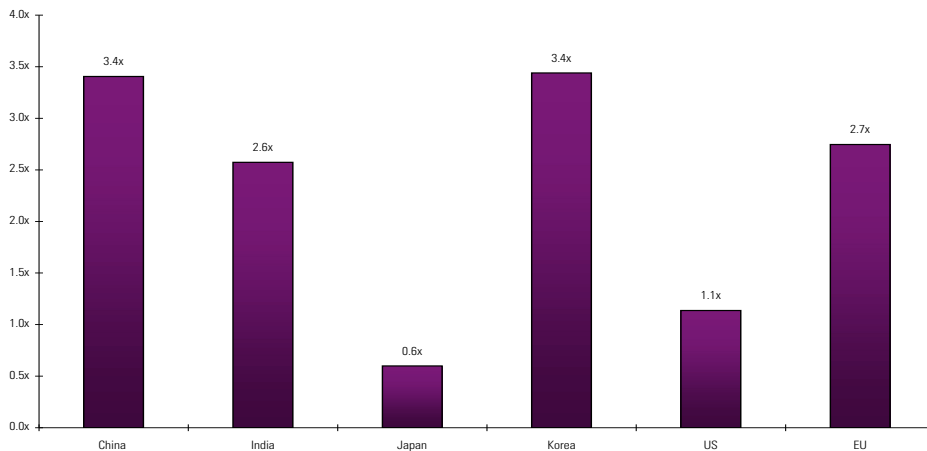
Toll Holdings, a listed Australian transportation and logistics solutions provider, has acquired **Australian Armoured Express**, an Australian supplier

Logistics Stock Indices for Selected Countries (12 months ending 15May10)



Source: ThomsonOne, BDA

Logistics Price/Revenue Multiples for Selected Countries (15Jun10)



Source: ThomsonOne, BDA

of armored car cash collection and cash delivery services. [April 6, 2010](#)

Toll Holdings, a listed Australian transportation and logistics solutions provider, has purchased **DPEX**, an Asian express air freight arm of Australian airline, **Qantas**. [June 8, 2011](#)

China

Agility, a Saudi logistics company, has began operations of its Shanghai logistics hub, which will receive and distribute up to 600,000 tons of polyolefin annually from Agility's Borouge plant in Abu Dhabi. [June 10, 2010](#)

Air China and **Cathay Pacific** will form a 51:49 cargo JV based in Shanghai, in the face of strong competition from Chinese and foreign carriers in this highly

contested region. [March 26, 2010](#)

China Eastern Air Holding Co, a Chinese investment holding parent of **China Eastern Airlines**, has acquired 51% of **Great Wall Airlines Co**, a Chinese airline, from **Beijing Aerospace Satellite Applications Corp**, a Chinese state-owned investment holding company and wholly-owned subsidiary of **China Aerospace Science & Technology Corp**. [March 11, 2010](#)

COSCO Pacific, a listed Hong Kong logistics services company, has agreed to acquire 13.71% of **Sigma Enterprises**, a Chinese holding company of Yantian cargo terminals in Shenzhen, from **AP Moeller-Maersk A/S**, a listed Danish company logistics services company, for an estimated US\$430m. [April 24, 2010](#)

DHL is strengthening its capabilities in

China to capitalize on the opportunities in the fashion and apparel logistics industry in China, estimated to be worth US\$7.5bn. [June 9, 2010](#)

Hainan Meilan International Airport, a listed Hong Kong airfield services company, has agreed to acquire 54.5% of **HNA Airport Holding**, a Chinese airport operator, from **Kingward Investment Ltd** and **HNA Group Co**, for US\$322m. [April 6, 2010](#)

Silver Grant International Industries, a listed Hong Kong investment holding company engaged in property holding and securities trading, along with **China Minmetals Corp** and **Hopu Investment Management**, a Chinese private equity firm, have agreed to acquire 20% of **Winsway Group Holdings**, a Chinese company engaged in trading, distribution, processing, storage and transportation of petroleum, chemicals and coal, for US\$110m. [April 1, 2010](#)

Tianjin Datian Group, a state-owned Chinese logistics company, has acquired 63% of **Okay Airways Company**, a Chinese airline, from **Juneyao Group**, a Chinese conglomerate, for US\$30m. [March 4, 2010](#)

Hong Kong

Aqua Logistics, an Indian logistics service provider, and a subsidiary of **Aqua Logistics**, a listed Indian logistics company, has agreed to acquire 60% of **AGI Logistics**, **CIT Logistics** and **TAG Logistics**, three Hong Kong logistics

firms, for US\$8m. Aqua Logistics will also acquire an additional 15% of all three companies in tranches over five years. *March 29, 2010*

Swire Pacific Ltd, a Hong Kong trading and logistics company, plans to acquire **Cathay Pacific's** 15% stake in **Haeco**, a Hong Kong aircraft maintenance company, for US\$1.2bn. After the transaction, Swire will have a 61% stake in Haeco. *June 8, 2010*

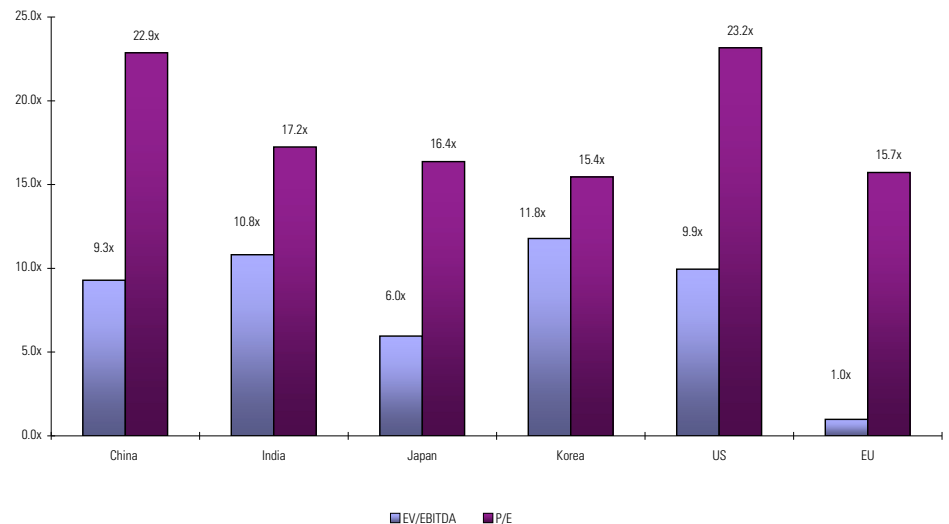
Chu Kong Shipping Development, a listed Hong Kong logistics services company, has agreed to acquire **Chu Kong Passenger Transport Co**, a Hong Kong provider of vessel leasing services and agency services for ferry services companies, from **Chu Kong Shipping Enterprises**, a Hong Kong agent of passenger ferry tickets, for an estimated US\$62m. *March 25, 2010*

Veolia Transport China, a Chinese holding company and subsidiary of **Veolia Transportation**, a listed French private operator of public transportation, has agreed to acquire the remaining 50% of **Hong Kong Tramways**, a Hong Kong operator of trams, from **Wharf Transport Investments**, a Hong Kong investment holding company. *February 17, 2010*

India

DARCL Logistics, an Indian logistics and transport service provider, plans to acquire new shipping containers from China as part of its initiatives to focus on the rail container business. *June 14, 2010*

Logistics Trading Multiples for Selected Countries (15Jun10)



Source: ThomsonOne, BDA

Indonesia

Cahaya Pratama Lestari PT acquired 99.8% of **Mitratama Perkasa PT**, an Indonesian owner and operator of barge port facilities, from **Bumi Resources Tbk PT**, for US\$120m. *March 31, 2010*

Essar Shipping Ports & Logistics, a subsidiary of Indian conglomerate, **Essar group**, has started commercial operations of its 30 million tonnes per year bulk terminal at Hazira, India. *May 24, 2010*

Hitachi Transport System, a listed Japanese transportation and logistics company, has acquired **Flyjac Logistics**, an Indian logistics company, for an estimated US\$53m. Flyjac had revenues of US\$67m in 2009 and employs 650 employees. *April 30, 2010*

Japan

PT Trada Maritime, a listed Indonesian shipping and logistics group, has acquired a majority stake in **PT Agate Bumi Tanker**, an Indonesian shipping company specialized in oil tankers, for US\$15m. *April 5, 2010*

Korea

Isamu Tomita, a private investor, has acquired **Abashiri Kotsu**, a Japanese provider of transportation services from private equity firm, **J Will Partners**. *March 31, 2010*

Kumho Industrial, a listed Korean company engaged in ground transportation and construction, has agreed to divest its 38.7% stake in **Seoul Express Bus Terminal**, a bus transportation provider,

to an undisclosed acquirer, for US\$246m.

March 29, 2010

Malaysia

Kumho Industrial Co, a listed Korean company engaged in ground transportation and construction, has acquired 13% of **Asiana Airlines**, a Korean airline, from **Korea Kumho Petrochemical**, for US\$84m. *March 10, 2010*

The creditors of **Kumho Industrial Co**, a listed Korean company engaged in ground transportation and construction, have entered into a debt-equity swap agreement, which reduces the aggregate debt of Kumho Industrial by US\$1.9bn, for 90% of the enlarged share capital of the company. The transaction will avoid Kumho Industrial from being delisted from the Korea stock exchange. *March 26, 2010*

Kumho Trading Co, a Korean domestic and international trading company, acquired 3% of **Second Seohaean Express**, a Korean provider of logistic construction services, for US\$4m. *April 1, 2010*

New Zealand

AirAsia X, a Malaysian airline that is part owned by billionaire Richard Branson's **Virgin Group**, is considering an IPO in the second half of 2011 to raise funds for its global expansion. *June 8, 2010*

AWH Equity Holdings, a Malaysian investment holding company with interests in marine transportation, has

agreed to acquire **Integrated Logistics Solutions**, a Malaysian provider of logistics services, from **Integrated Logistics**, for an estimated US\$50m.

March 12, 2010

Port of Tauranga, a listed New Zealand-based port operator, has agreed to acquire **Tapper Transport**, a New Zealand-based operator of container freight stations, from New Zealand-based private investors **Chris Tapper**, **Simon Tapper** and **Andrew Scott**, for US\$14m.

March 12, 2010

Singapore

Cipla, an Indian pharmaceutical company, has set up a subsidiary in Singapore to aid logistics and distribution of its export business. *May 24, 2010*

CWT, an integrated logistics service provider, has launched a new commodity hub in Singapore for storage and transportation to serve its customers in Southeast Asia. *May 11, 2010*

Land Transport Authority, a Singaporean state-owned provider of public transportation services, acquired **Transit Link**, a Singaporean provider of public transportation services, from **SMRT Road Holdings**, a wholly-owned unit of **Temasek Holdings**, and **SBS Transit**, a majority-owned unit of **DelGro Corp**, for US\$2.5m. *March 5, 2010*

Government of Singapore Investment Corp (GIC), through its real estate fund, plans to take public its logistics

business and raise US\$707m. The IPO will include assets in China and Japan that GIC's real estate unit bought from **ProLogis**, one of the largest global warehouse owners and developers.

June 10, 2010

Taiwan

T.Join Transportation and **Hsinchu Freight** have acquired 40% of **Kerry Freight**, a Taiwanese JV between private investor **Don Wang** and **Kerry Properties**, which provides international freight forwarding services, for an undisclosed amount. **T.Join Transportation** acquired 9% and **Hsinchu Freight** acquired 31%. Hsinchu Freight and T.Join transportation are principally engaged in the transportation and logistics business in Taiwan. *April 29, 2010*

Thailand

Kerry Logistics, a supply chain and freight forwarding company, has expanded terminal capacity in Thailand. In addition, **Kerry Asia Road Transport (KART)**, a subsidiary of Kerry Logistics, plans to increase its cross border business between Thailand and Vietnam by one third in 2010. KART's major customer for this door-to-door service is a leading beverage cans producer in Bangkok, Thailand transporting products to Lao Bao in Vietnam. *May 21, 2010*

Tanayong PCL, a Thai real estate development firm, acquired **Siam Rail Transport and Infrastructure**, which includes a 53% interest in **Bangkok Mass Transit System**, a majority-owned unit of

Siam Rail Transport and Infrastructure, a Thai provider of transportation services, for an estimated US\$760m. *March 23, 2010*

Asian Logistics Transactions with Multiples for Selected Countries (12 months ending 20May10)

Announce Date	Target Name	Target Country	Acquirer Name	Acquirer Country	Deal Value	Acquisition Type	EV / EBITDA	EV / Revenue	P/E
20-May-10	Nippon Steel Shipping Co Ltd	Japan	Shinwa Kaiun Kaisha Ltd	Japan	\$196.3	-	-	0.5x	7.8x
12-May-10	Transurban Group	Australia	Investor Group	Canada	\$3,675.9	-	28.1x	15.6x	-
1-Apr-10	Second Seohaean Express Co Ltd	Korea	Kumho Trading Co Inc	Korea	\$3.6	30.0%	-	-	-
17-Mar-10	Titan Petrochemicals Group Ltd	HK	Universal Summit Holdings Ltd	HK	\$47.7	-	87.1x	4.1x	-
10-Mar-10	Asiana Airlines Inc	Korea	Kumho Industrial Co Ltd	Korea	\$83.9	12.7%	-	1.1x	-
10-Feb-10	RCI Sekiju	Japan	KFC Ltd	Japan	\$1.7	-	-	0.3x	22.2x
5-Feb-10	CH Offshore	Singapore	Falcon Energy Group	Singapore	\$101.0	-	6.7x	4.9x	7.2x
21-Dec-09	Asiana Airlines Inc	Korea	Kumho Petrochemical	Korea	\$80.4	12.7%	21.7x	1.1x	-
1-Dec-09	Chuo Warehouse	Japan	Investor Group	Japan	\$6.9	4.4%	6.7x	0.8x	15.9x
24-Nov-09	Hembly International	HK	Waste Resources GP	HK	\$20.1	-	8.7x	0.7x	90.9x
17-Nov-09	Sinwa	Singapore	Sinohit Offshore	China	\$25.4	-	6.1x	1.1x	8.1x
16-Nov-09	Yantai Raffles Shipyard	Singapore	China Intl Marine	China	\$172.8	-	9.4x	0.8x	19.8x
5-Nov-09	Transurban Group	Australia	Investor Group	Canada	\$4,590.5	-	25.9x	14.3x	-
20-Oct-09	GZI Transport	HK	Shareholders	HK	\$303.1	-	5.5x	3.9x	8.5x
15-Oct-09	Unique Mining Services PCL	Thailand	Hermelin Shipping	Thailand	\$91.8	-	20.0x	2.7x	22.1x
17-Aug-09	Cathay Pacific Airways	HK	Investor Group	China	\$948.2	-	-	0.9x	-
12-Aug-09	AirAsia Bhd	Malaysia	Genesis Smaller	Luxembourg	\$51.6	5.4%	13.4x	3.5x	-
5-Aug-09	OJI Transportation	Japan	Fukuyama Transporting	Japan	\$31.6	54.3%	-	0.2x	-
13-Jul-09	Shanghai Airlines	China	China Eastern Airlines Corp	China	\$1,096.8	-	-	2.0x	-
9-Jun-09	Shenzhen Hongkai(Group)	China	Investor Group	China	\$22.2	4.8%	-	13.1x	-
13-Jul-09	Shanghai Airlines	China	China Eastern Airlines Corp	China	\$1,096.8	-	-	2.0x	-
				Mean	\$602.3	17.8%	19.9x	3.7x	22.5x

Source: ThomsonOne

Business Development Asia is an investment banking firm which assists multinational companies in expanding their businesses in Asia through JVs, acquisitions, divestments and capital raising. For further information on BDA's services or on any of the articles in this newsletter, please contact the offices listed.

Paul DiGiacomo
Managing Director
pdigiacomobdallc.com

Marc Liu, Associate
mliubdallc.com

www.bdallc.com
newsletter@bdallc.com

NEW YORK

Euan Rellie, erellie@bdallc.com
Charles Maynard, cmaynard@bdallc.com
Business Development Asia LLC
1270 Avenue of the Americas, Suite 2310
New York, NY 10020, USA
T (212) 265-5300
F (212) 265-4300

BAHRAIN

Ahmed Al Balooshi, abalooshi@bdallc.com
Business Development Asia
Building #2572, Road #2833, 4th Floor
Office #42, Block #428
PO Box 30295, Seef District
Manama, Bahrain
T (973) 17581336
F (973) 17581483

HONG KONG

Paul DiGiacomo, pdigiacomobdallc.com
Business Development Asia (HK)
Suite 905, ICBC Tower,
3 Garden Rd, Hong Kong
T (852) 2537-9565
F (852) 2537-4406

SEOUL

Heejun Yang, hyang@bdallc.com
Business Development Asia
#1201, Gwanghwamun Officia
163 Sinmunno 1-Ga, Jongno-Gu
Seoul 110-999, Korea
T (82) 2-3276-3150
F (82) 2-3276-3155

LONDON

Andrew Huntley, ahuntley@bdallc.com
Business Development Asia Ltd
33 Cavendish Square
London W1G 0PW
United Kingdom
T (44) 2071824518
F (44) 2071824100

MUMBAI

Arun Bagchi, abagchi@bdallc.com
Business Development Asia
898 Notan Plaza, Suite 4A
Turner Road, Bandra (West)
Mumbai 400050, India
T (91) 22-2643-0290
F (91) 22-2643-0291

SHANGHAI

Jeffrey Wang, jwang@bdallc.com
Business Development Asia Co Ltd
The Center, #1602, 989 Changle Road
Shanghai 200031, China
T (86) 21-5407-5580
F (86) 21-5407-5680

TOKYO

Jeff Acton, jacton@bdallc.com
Business Development Asia K.K.
Shiroyama Trust Tower, 27th Floor
4-3-1 Toranomom, Minato-ku
Tokyo 105-6027, Japan
T (81) 3-3433-5803
F (81) 3-3433-5269