

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 a 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

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Australia

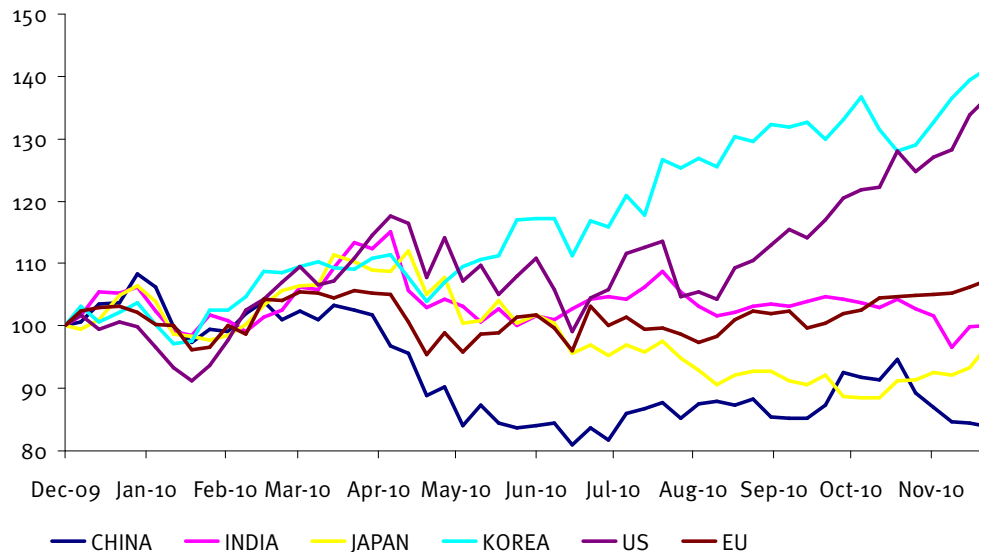


Santa Fe Holdings, a Hong Kong based relocation services provider and subsidiary of **The East Asiatic Company**, will acquire **Wridgways Australia**, a listed Australian relocation services company, for US\$77m.

September 20, 2010

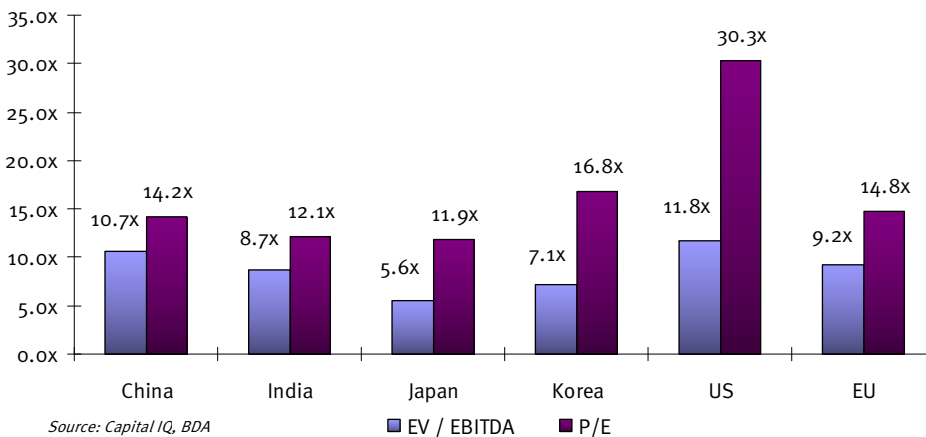
Washington H Soul Pattinson & Co, an Australian investment coal mining, pharmaceutical and building materials company, acquired an additional 10% of **Lindsay Australia**, an Australian provider of freight transportation services, for US\$4m. *November 1, 2010*

Logistics Stock Indices (12 months ending 13Dec10)



Source: Capital IQ, BDA

Logistics LTM Trading Multiples (15Dec10)



China



Alibaba.com, a Chinese business-to-business e-commerce company, has entered into an agreement to acquire **Shenzhen One-Touch Enterprise Service**, a Chinese provider of one-stop services for exporters in China, for an undisclosed amount. *November 22, 2010*

Fortune Oil, a listed Hong Kong investment company focusing on oil and gas supply and infrastructure projects, has agreed to acquire 65% of **Jinzhou Everthriving Logistics**, a Chinese company that owns and operates 50 LNG transport vehicles, from **Everthriving Investment Group**, a Chinese LNG and natural gas company, for US\$10m. *September 1, 2010*

Grand China Logistics, a Chinese logistics company and a subsidiary of **HNA Group**, a Chinese air transportation and tourism company,

has agreed to acquire 60% of **Sinosun Logistics**, a Chinese company engaged in refrigerated logistics business, for an undisclosed amount. *October 29, 2010*

Shanghai International Port, China's largest port operator, has agreed to acquire the second and third phases of **Yangshan Port**, the busiest container terminal in Shanghai, from state owned **Shanghai Tongsheng Investment Group**, for US\$1.2bn. *October 29, 2010*

Hong Kong



Seanergy Maritime Holdings, a listed Greek provider of dry bulk marine transportation services, has agreed to acquire the remaining 49% which it did not already own in **Maritime Capital Shipping**, a Hong Kong based maritime transportation services provider, from **Maritime Capital Shipping**, a Hong Kong based investment holding

company having interest in transportation services sector, for US\$29m. *September 9, 2010*

An investor group comprised of **Best View Enterprises** and **Simple Success Investments** agreed to raise its stake to 32% from 17% in **New Environmental Energy Holdings**, the Hong Kong based provider of supply chain services, for US\$10m. *August 27, 2010*

India



Aqua Logistics, an Indian provider of warehousing, packaging and value-added transportation services, agreed to acquire 40% of **Star Distribution Logistics**, an Indian logistics services provider, for an undisclosed amount. Concurrently, Aqua Logistics was granted an option to buy an additional 20% in the future. *September 13, 2010*

Bessemer Venture Partners, a US based private equity firm, has agreed to acquire a minority stake in **Palogix Infrastructure**, an Indian logistics provider, for an undisclosed amount. *August 31, 2010*

FedEx, a US based express transportation company and a subsidiary of **FedEx Corporation**, has agreed to acquire **AFL WIZ Express** and **AFL Logistics and Distribution**, both of which are divisions of **AFL Private**, which is engaged in the provision of logistics and distribution services and related support services, from **AFL Private**, an Indian company engaged in the provision of supply chain solutions,

for an undisclosed amount.

November 3, 2010

Kuehne+Nagel, a Swiss logistics company with significant operations in India, has acquired 100% of **RR Enterprises**, an Indian cold chain logistics business, for an estimated US\$4m. *August 31, 2010*

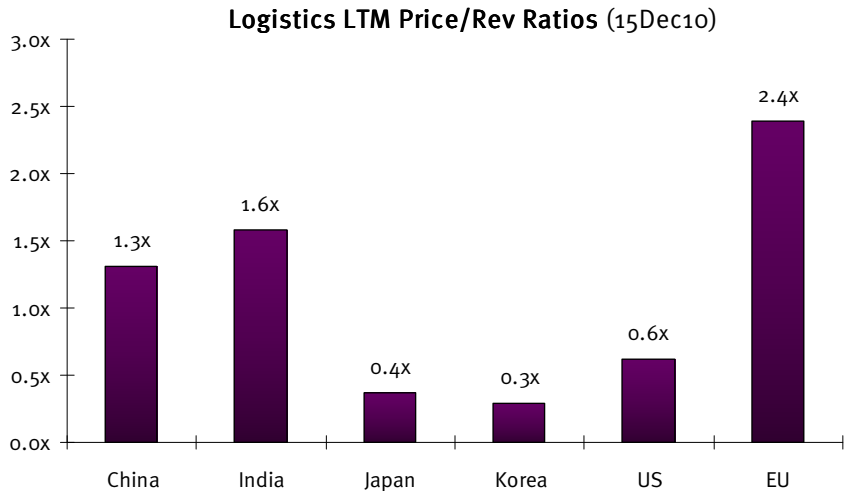
Japan



Daiichi Koutsu Sangyo, a listed Japanese transportation and real estate company, has agreed to acquire **Keihan Taxi, Kisen Taxi, Osaka Keihan Taxi** and **Uji Keihan Taxi**, Japanese taxi companies, from **Keihan Electric Railway**, a listed Japanese railway operator, for an undisclosed amount. The taxi companies being acquired generate combined annual revenues of US\$56m. *October 1, 2010*

Dainihon Wood-Preserving, a Japanese wood building materials company, has agreed to acquire **Toyo Rikuun**, a Japanese transportation company, from **Sumitomo Forestry**, a listed Japanese residential construction and forestry company, for an undisclosed amount. *September 9, 2010*

Enterprise Turnaround Initiative Corporation of Japan ("ETIC"), a Japanese government backed agency providing relief capital to distressed Japanese companies, has agreed to acquire **Japan Airlines International** for US\$3.9bn. ETIC will be the sole owner of JAL. *September 13, 2010*



Source: Capital IQ, BDA

■ Price / Revenue

Hamakyorex, a listed Japanese automobile freight transportation company, has agreed to acquire 72% of **Logistics Inc**, a Japanese logistics company, from **Japan Airlines International** for an undisclosed amount. *September 13, 2010*

Hitachi Transport System, a listed Japanese transportation and logistics company, has agreed to acquire 90% of **DIC Logitech**, a Japanese based logistics company, from **DIC Corporation**, a listed Japanese company manufacturing printing inks, organic pigments and synthetic resins, for an undisclosed amount. *October 21, 2010*

Korea



SK Holdings, a Korean investment holding company, has agreed to purchase the remaining 10% which it

did not already own in **SK Shipping**, a Korean shipping company providing deep sea transportation services, for US\$23m. *September 30, 2010*

Ybroad, a listed Korean leather products manufacturer, has acquired 55% of **Lodestar Sea & Air**, a Korean freight forwarding services company, for US\$8m. The acquirer had no prior operations in the industry. *October 29, 2010*

Malaysia



Ekuiti Nasional, a Malaysian state owned private equity firm, has agreed to acquire 57% of **Konsortium Logistik Berhad**, a Malaysian total logistics and inventory solutions provider, for an undisclosed amount. *October 18, 2010*

Johabaru, a Malaysian construction company, agreed to acquire **JH Logistics**, a provider of logistics services, from **Swee Joo Bhd**, for US\$1.2m. *September 1, 2010*

A consortium consisting of **UEM Group** and the **Employees Provident Fund Board** has agreed to acquire the 35% which they do not already own in **PLUS Expressways**, a listed Malaysian expressway operation services provider, for US\$850m. *October 15, 2010*

Singapore



Glencore International Ag, a Swiss supplier and wholesaler of commodities and raw materials, has agreed to acquire **Pacorini Metals (Asia)**, a provider of warehousing services to the metals and mining industry, from the **The Pacorini Group**, an Italian logistics company, for an undisclosed amount. *September 14, 2010*

Taiwan



T.H.I. Group, a listed Taiwanese marine and air cargo transportation services company, has acquired **Taiwan Express Group**, a Taiwanese air cargo transportation services provider, for US\$16m. T.H.I. Group will fund the acquisition through its own funds and bank borrowings. *October 15, 2010*

Thailand



Rhenus AG & Co, a German provider of logistics services, has agreed to acquire majority stake in **Pro-Log**, a Thai logistics services provider, for an undisclosed amount. The transaction will enable Rhenus to further consolidate its own network in Asia. *September 9, 2010*

Vietnam



Golden Age Investment, a Vietnamese investment company, acquired 35% of **Vinafco Joint Stock Corp**, a Vietnamese provider of freight forwarding services, from **HB Trading** and **Investment JSC**, for an estimated US\$5m. *August 26, 2010*

Asian Logistics Transactions with LTM Multiples (12 months ending in 14Dec10)

Announce Date	Target Name	Target Country	Acquirer Name	Acquirer Country	Deal Value	Percentage Acquired	EV / EBITDA	EV / Revenue	P/E
26-Nov-10	Integrax Bhd	Malaysia	Taipan Merit Sdn Bhd	Malaysia	\$9.7	6.7%	4.6x	5.8x	-
15-Nov-10	SpiceJet Ltd	India	Kal Airways Private Limited	India	\$157.8	38.7%	1.1x	13.6x	-
23-Jul-10	AC system Corp	Japan	TL Logicom Co	Japan	\$10.9	100.0%	-	1.0x	11.2x
2-Jun-10	Eng Kong Holdings	Singapore	NEK Container Group Pte	Singapore	\$53.4	94.2%	4.4x	0.7x	8.9x
25-May-10	SANYO Electric Logistics Co	Japan	LS Holdings Co	Japan	\$197.5	99.5%	7.1x	0.5x	18.1x
20-May-10	Nippon Steel Shipping Co	Japan	Shinwa Kaiun Kaisha	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	Korea	Kumho Trading Co	Korea	\$3.6	30.0%	-	-	-
10-Mar-10	Asiana Airlines	Korea	Kumho Industrial Co	Korea	\$83.9	12.7%	-	1.1x	-
10-Feb-10	RCI Sekiju	Japan	KFC	Japan	\$1.7	-	-	0.3x	22.2x
5-Feb-10	CH Offshore	Singapore	Falcon Energy Group	Singapore	\$101.0	29.1%	6.7x	4.9x	7.2x
21-Dec-09	Asiana Airlines	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	-
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 Containers	China	\$142.5	36.9%	8.8x	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 Co	Thailand	\$79.7	55.1%	16.5x	2.2x	21.6x
				Median	\$80.4	33.5%	6.9x	1.1x	11.2x

Source: Capital IQ, BDA

The stock indices and trading multiples graphs shown in this newsletter represent the ten largest publicly traded transport and logistics companies (by market capitalization) in China, India, Japan, Korea, the EU and the US.

Business Development Asia is an investment banking firm which assists multinational companies in expanding their businesses in Asia through acquisitions, divestments, JVs 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
pdigiacom@bdallc.com

Marc Liu, Associate
mliu@bdallc.com

www.bdallc.com
newsletter@bdallc.com

NEW YORK

Charles Maynard, cmaynard@bdallc.com
Euan Rellie, erellie@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

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

SEOUL

Heejun Yang, hyang@bdallc.com
Business Development Asia
21 Floor, S-Tower
116 Sinmunno 1-Ga, Jongno-Gu
Seoul, 110-061, Korea
T (82) 2767-2730
F (82) 2757-2702

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
F (973) 1758-1483

LONDON

Andrew Huntley, ahuntley@bdallc.com
Business Development Asia Ltd
33 Cavendish Square
London W1G 0PW, United Kingdom
T (44) 20-7182-4518
F (44) 20-7182-4100

HONG KONG

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

TOKYO

Jeff Acton, jacton@bdallc.com
Business Development Asia K.K.
Shiroyama Trust Tower, 27th Floor
4-3-1 Toranomon, Minato-ku
Tokyo, 105-6027
T (81) 3-3433-5803
F (81) 5404-8181

BAHRAIN

Ahmed Al Balooshi, abalooshi@bdallc.com
Business Development Asia
Meral Building #2572, Road #2833
4th Floor, Office #42, Block #428
PO Box 30295, Seef District
Kingdom of Bahrain
T (973) 1758-1336