

ASIAN TECHNOLOGY NEWSLETTER

DECEMBER 2010, ISSUE 65

A Quarterly newsletter of developments in the technology sector

We hope that you find the Asian Technology Newsletter 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 would like to learn more about how BDA

is positioned to help your business grow through acquisitions, or to achieve maximum value in a divestment or fund raising exercise, please contact us at any one of our offices.

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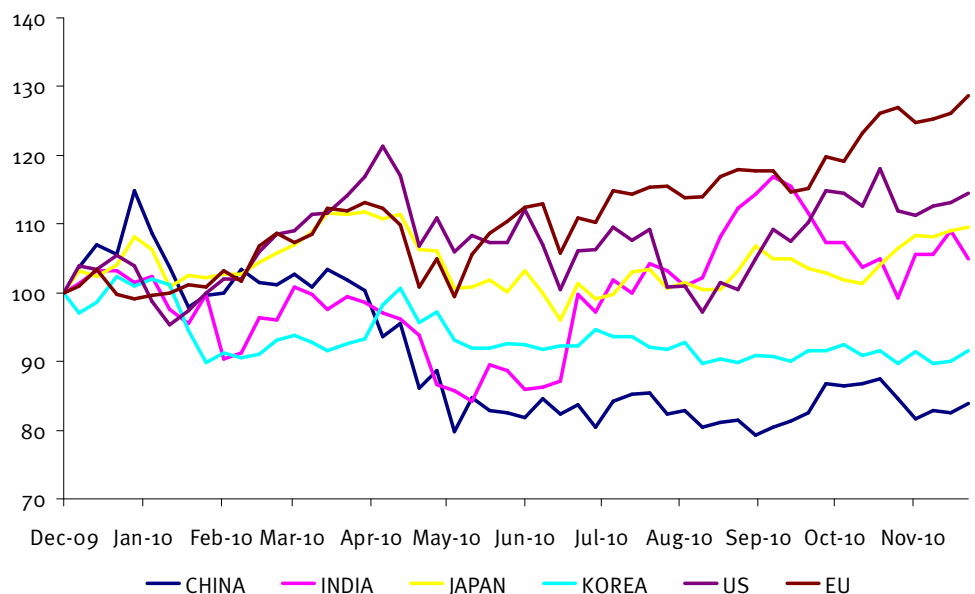
China

Citic 1616 Holdings, a Hong Kong based telecom service provider, agreed to acquire 49% of **China Enterprise Communications**, a provider of virtual private networks, for US\$24m. Concurrently, through its wholly owned subsidiary, **CPCNet**, Citic 1616 also agreed to acquire **China Enterprise Netcom**. *September 2, 2010*

An investor group comprised of **General Atlantic**, **Apax Partners** from the US, and **Next Decade Investments** and **Digital Link Investments** from Hong Kong, agreed to raise its stake from 15% to 54% in **SouFun Holdings**, a Chinese real estate internet services provider, for US\$337m. *September 17, 2010*

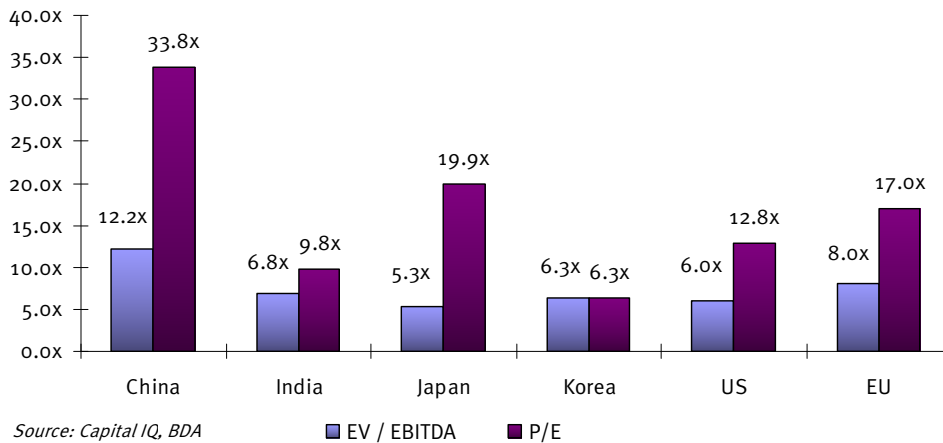
Shanghai Kai Kai Industry, a Chinese clothing products manufacturer, plans to acquire 22% of Shanghai **Dingfeng Information Technology**, a Chinese

Technology Sector Stock Indices (12 months ending 13Dec10)



Source: Capital IQ, BDA

Technology LTM Trading Multiples (15Dec10)



Source: Capital IQ, BDA

internet software company, for an undisclosed amount. *August 24, 2010*

Shanghai Media Group, a majority-owned unit of Chinese government-owned **Shanghai Media & Entertainment Group**, plans to acquire 15% of **BesTV Network TV Technology Development**, a Chinese IPTV services provider, for US\$46m.

September 28, 2010

Shenzhen Guiyin Guarantee Investment, a JV between **SVG Financial Holdings**, **Shenzhen Jiuce Investment & Shenzhen Shengkangda Technology**, agreed to acquire 70% of **HIT Bada Group**, a Chinese information and technology services provider, for US\$57m. *October 13, 2010*

Spice I2I, a Singapore based VoIP, R&D, telecom software and handset provider agreed to acquire 51% of **Mobile Service International**, Chinese telecom service provider, for an undisclosed amount. *October 5, 2010*

Spice I2I also agreed to acquire 51% of

CSL Communication, a Chinese mobile communication devices manufacturer and wholesaler, for an undisclosed amount. *October 5, 2010*

Tencent Holdings, a Chinese portal services provider, acquired a minority stake in **Beijing Manyogu Information Technology**, a Chinese Internet game software developer, for an undisclosed amount.

September 20, 2010

Tencent Holdings also acquired **Comsenz**, a Chinese social networking services provider, for an undisclosed amount. *August 23, 2010*

Wi-Max Communications, a US based telecom service provider, signed a letter of intent to acquire a majority stake in an undisclosed Chinese telecom company. *September 7, 2010*

Hong Kong

Ability International, an office machine

wholesaler and a wholly-owned subsidiary of **GrandTech CG Systems**, acquired 51% of **Cogate Company**, a Hong Kong based IT services provider, for an undisclosed amount. *October 5, 2010*

Chinasoft International, a Hong Kong based IT company, agreed to acquire **MMIM Technologies**, an IT outsourcing and software consulting provider based in Hong Kong, for US\$137m.

September 24, 2010

Inovisi Infracom, an Indonesian IT service company and a majority-owned subsidiary of **Green Pine**, plans to acquire **Ozura World**, a mobile internet software and applications developer, for US\$10m. *October 7, 2010*

OAO NIIME Mikron, a Russian semiconductor manufacturer and a unit of **OAO Sitroniks**, acquired **Cosmos Wealth**, a Hong Kong based telecom solutions services provider, for an undisclosed amount. *September 7, 2010*

UTStarcom, US based Internet Protocol access networking and telecom solutions software developer agreed to acquire 75% of **Stage Smart**, a Hong Kong based provider of technology services and a wholly-owned unit of **Smart Frontier Holdings**, for US\$30m. *October 21, 2010*

India

Accelya Group, a European IT and BPO services provider, acquired 36% of **Kale Consultants**, an Indian software solutions provider specializing in travel industry, for US\$21m. *September 11, 2010*

Aegis, an Indian outsourcing services company, has entered into an

agreement with **Y&R Inversiones Publicitárias** to fully acquire their jointly held BPO company in Argentina, **Actionline**, for an undisclosed amount.

October 20, 2010

AppLabs Technologies, a US based software testing services firm, acquired **ValueMinds**, an Indian automated testing tools developer, for an undisclosed amount. *August 19, 2010*

Atos Origin, a French information services firm, acquired **Venture Infotek**, an Indian transaction processing firm, from PE firm **Kubera Partners**, for US\$54m. *August 27, 2010*

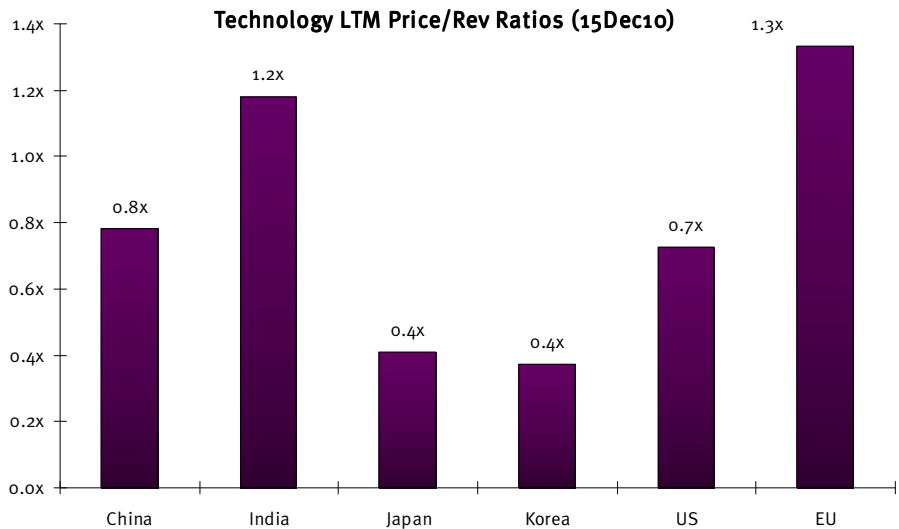
CRISIL, an Indian credit rating, research and offshoring company, has acquired Indian knowledge process outsourcing firm, **Pipal Research Corp**, for US\$13m. Pipal was majority owned by BPO services major **Firstsource Solutions**. *September 22, 2010*

IMImobile, Indian mobile value added services provider, acquired **WIN**, a UK based mobile content and services company, for US\$26m. The deal will expand the IMImobile's workforce to 600 and give it access to relationships with mobile operators in Europe and other emerging markets. *October 21, 2010*

NTT Data Corp, Japanese IT services major, acquired 80% of **Apex Systems**, a Singapore based IT product developer with a significant presence in India. The terms of the transaction were not disclosed. *September 2, 2010*

Redington India, an Indian IT distributor, acquired 49% of **Arena**, a Turkish IT products distributor, for US\$43m. *September 22, 2010*

SBI-Macquarie Infrastructure Fund, an India focused PE fund, acquired 11% of



Source: Capital IQ, BDA

Viom Networks an Indian telecom infrastructure company, for US\$304m. Viom Networks is a JV between **Tata Tele** and **Quippo Telecom**.

August 12, 2010

Tricom, an Indian BPO service provider acquired **GTESS Corp**, a US based healthcare service provider, for an undisclosed amount. *September 14, 2010*

Zephyr Peacock India, a PE Fund, acquired an undisclosed stake in **Trimax IT Infrastructure and Services**, an Indian systems integration, data centre services, and IT infrastructure management company, for US\$10m. *October 6, 2010*

Indonesia 

First Media, an Indonesian internet and cable television services provider, agreed to acquire **Jaring Data Interaktif**, an Indonesian internet services provider, for an undisclosed amount. *September 20, 2010*

Mobile-8 Telecom, an Indonesian mobile communication service provider, agreed to acquire **Smart Telecom**, an Indonesian cellular telecom services provider and a unit of **Sinar Mas Group**, for US\$422m.

October 19, 2010

Japan 

Data Horizon, a Japanese medical information system provider, acquired **Cosmosystems**, a Japanese developer and wholesaler of computer systems for pharmaceutical institutions, for an undisclosed amount. *August 27, 2010*

Endeavour, a Japanese securities management firm, raised its stake in **Paltek**, a semiconductor design and sales company based in Japan, from 4% to 23%, for an undisclosed amount. *September 7, 2010*

GETTI Communications, a Japanese marketing and promotion company, acquired

50% of **Thanks Lab**, a Japanese mobile internet services provider. Concurrently, Thanks Lab acquired 30% of **CNBroadcasting**, a 51%-owned unit of GETTI Communications. *October 8, 2010*

GMO Internet, a Japanese internet service company raised its stake in **Click Securities**, a Japanese online security brokerage service provider, from 3% to 40%, for US\$63m. *September 29, 2010*

Olympus, the Japanese optical products manufacturer, plans to launch a tender offer to acquire the remaining 18% of **ITX**, a Japanese telecom services provider, for US\$86m. *November 5, 2010*

Sanyo Electric, the Japanese electronic goods manufacturer and a majority owned unit of **Panasonic Corp**, is planning to raise increase its stake from 50% to 90% in **NTT Data Sanyo System**, a Japanese solution services provider. *October 28, 2010*

Senshukai, a Japanese mail order service provider agreed to acquire the remaining 51% of **Mobile Collection**, a Japanese e-commerce service provider, and a JV between **Senshukai** and **DeNA Co**, for an undisclosed amount. *October 20, 2010*

Korea



BCNT agreed to acquire 13% of **NextCode**, a Korean developer and wholesaler of integrated security solutions, for US\$10.6m. *August 18, 2010*

Gravity, a Korean gaming service provider agreed to acquire 51% of **BarunsonInteractive**, a Korean computer programming services

provider for US\$10.2m. *September 28, 2010*

KDBI agreed to merge with **Taxonnet**, a Korean package software manufacturer and wholesaler, in a stock swap transaction. *October 26, 2010*

An investor group, comprised of **KG Chemical** and **KG EchoService**, acquired 92% of **GoldPharos**, a Korean online service provider, for US\$36m. *October 15, 2010*

Net 1 UEPS Technologies, South Africa based provider of *Universal Electronic Payment System (UEPS)* acquired 99% of **KSNET**, a Korean telecom services company for US\$232.5m. *September 16, 2010*

NHN, a Korean search portal service company, acquired 51% of **Wisecat**, a Korean online and mobile games developer, for an undisclosed amount. *October 6, 2010*

Pobis TNC, a Korean tobacco trader, agreed to merge with **Pobisnetwork**, a Korean software program developer, in a share swap transaction valued US\$40.2m. *October 15, 2010*

Smec, a Korean machine tool manufacturer acquired 23% of **New Grid**, a Korean wireless telecom provider, for US\$15m. *October 13, 2010*

Standard Chartered Private Equity acquired 17.5% of **DASAN Networks**, a Korean network solutions service company, for US\$23. *August 30, 2010*

Malaysia



Inovisi Infracom, an Indonesian IT service company and a majority-owned by **Green Pine** planned to acquire **Abundant Global**, a provider of e-

commerce infrastructure for oil and gas, for US\$40m. *October 6, 2010*

Philippines

Qatar Telecom, a telecom service provider planned to raise its stake in **Liberty Telecoms Holdings**, a telecom services provider based in Philippines, from 33% to 40%, for an undisclosed amount. *October 13, 2010*

Kyocera Mita, a wholly-owned unit of Japanese computer hardware and peripherals manufacturer, **Kyocera**, agreed to acquire **Epson Software Engineering**, a Philippines based engineering software developer, for an undisclosed amount. *September 30, 2010*

Singapore

Logicalis Group, a UK based IT and communication technology provider, and a unit of **Datatec** of South Africa acquired **Touchbase Singapore**, a telecom service provider, for an undisclosed amount. *September 20, 2010*

TeleChoice International, a Singapore based telecom service provider acquired 90% of **S&I Systems**, an information technology services provider, for US\$9m. *October 11, 2010*

Panasonic Electric Works, a listed Japanese manufacturing company, acquired the semiconductor encapsulation materials business of the

Cookson Group, a listed UK based materials science company, for an undisclosed amount. **BDA was the exclusive advisor to Cookson on this transaction.** *December 1, 2010*

Taiwan



Ability International, an office machine wholesaler and a wholly-owned subsidiary of **GrandTech CG Systems**, acquired 51% of **Cogate Company**, Hong Kong based provider of IT services, for an undisclosed amount. *October 5, 2010*

Yuan Cing Infocomm Tech, a Hong Kong based telecom service provider and a wholly-unit of **Far EasTone Telecommunications**, planned to acquire the remaining 32% stake, which it did not already own, of **New Century InfoComm Tech**, a telecommunication services provider, in a stock swap transaction. *August 31, 2010*

Vietnam



FPT Corp, a Vietnamese IT service provider, agreed to acquire a majority stake in **Electricity of Vietnam Telecom**, a telecom service provider and a wholly-owned unit of Vietnam Electricity, for an undisclosed amount. *November, 2010*

OAo Vimpelkom, a Russian communication service provider, planned to raise its stake in **G-Tel Mobile**, a provider of telecom services and a 60:40 JV between the Vietnamese state-owned **Global Telecommunication** and **OAo Vimpelkom**, from 40% to 49%, for an undisclosed amount. *September 3, 2010*

Asian Technology Transactions with Multiples (12 months ending 13Dec10)

Announce Date	Target Name	Target Country	Acquirer Name	Acquirer Country	Deal Value	Percentage Acquired	EV / EBITDA	EV / Revenue	P/E
26-Nov-10	Sammy Networks	Japan	Sega Sammy Holdings	Japan	\$103.7	45.3%	2.8x	1.1x	15.4x
22-Nov-10	Kale Consultants	India	Accelya World SL	France	\$21.0	37.9%	7.2x	1.4x	9.9x
1-Oct-10	Trendchip Technologies Corp	Taiwan	Ralink Technology	Taiwan	\$192.9	100.0%	16.5x	1.8x	20.9x
31-Aug-10	AGC Networks	India	Essar Capital	India	\$44.2	59.1%	6.4x	0.6x	10.4x
27-Aug-10	Kook Je Electric Korea	Korea	Hitachi Kokusai Electric	Japan	\$22.2	25.0%	142.5x	1.8x	41.5x
5-Aug-10	Universal Scientific Industrial	Taiwan	Advanced Semiconductor Engineering Inc	Japan	\$146.9	20.2%	5.1x	0.3x	10.5x
2-Aug-10	EEMS Test Singapore	Singapore	ASE Singapore	Singapore	\$67.3	100.0%	3.8x	1.5x	18.9x
29-Jul-10	Gamehi	Korea	Nexon Corp	Korea	\$47.3	23.3%	13.3x	5.9x	58.7x
19-Jul-10	Unidux Inc	Japan	Avnet Japan Co	Japan	\$181.3	94.6%	23.2x	0.3x	52.1x
2-Jul-10	Joymax Co	Korea	Wemade Entertainment	Japan	\$57.7	25.5%	12.8x	5.9x	18.7x
28-Jun-10	Full Speed Inc	Japan	FreeBit.com	Japan	\$23.4	50.3%	9.6x	0.6x	-
28-Jun-10	Tangshan Jingyuan Yufeng Electronics	China	Tongfang	China	\$41.0	25.0%	15.9x	4.2x	37.2x
14-May-10	NamKwang Engineering & Constr	Korea	Taihan Electric Wire	Korea	\$26.5	15.3%	13.0x	0.7x	-
28-Apr-10	Perduren	Malaysia	TS Law Group	Malaysia	\$8.1	19.5%	18.5x	11.6x	29.3x
15-Apr-10	Knowledge*on Inc	Korea	AUK Corp	Korea	\$48.7	100.0%	3.9x	1.0x	5.0x
2-Apr-10	Intelligent Wave Inc	Japan	Dai Nippon Printing	Japan	\$36.8	50.6%	9.9x	1.1x	26.0x
31-Mar-10	Galaxy Far East Corp	Taiwan	Macnica Chungju	Taiwan	\$25.3	59.3%	4.7x	0.2x	10.1x
24-Mar-10	Global Brands Manufacture	Taiwan	HannStar Board Corp	Taiwan	\$149.0	40.7%	6.5x	0.5x	14.3x
5-Mar-10	Barun Electronics	Korea	Korea Data Communications	Korea	\$19.4	30.0%	14.4x	0.7x	124.3x
18-Feb-10	Cyberdigm	Korea	BokwangcyBerdigm	Korea	\$10.5	15.9%	77.4x	8.2x	117.0x
12-Feb-10	Atlus	Japan	Index Holdings	Japan	\$26.7	37.8%	1.3x	0.2x	27.4x
8-Feb-10	Cuzco LBE	Korea	A-motion	Korea	\$34.3	24.3%	12.4x	1.0x	20.3x
29-Jan-10	TPV Technology	Hong Kong	Investor Group	Japan	\$291.1	18.5%	7.3x	0.2x	10.0x
16-Dec-09	BancTec Japan, Inc	Japan	-	-	\$122.6	100.0%	6.0x	0.8x	15.3x
15-Dec-09	Sorun Corp	Japan	IT Holdings Corp	Japan	\$260.3	100.0%	4.1x	0.3x	12.6x
14-Dec-09	Catena Corp	Japan	SystemPro	Japan	\$43.5	60.2%	4.1x	0.2x	9.7x
9-Dec-09	Motech Industries Inc	Taiwan	Taiwan Semiconductor Mfg	Taiwan	\$193.1	20.0%	22.0x	1.7x	143.8x
				Median	\$44.2	37.9%	9.6x	1.0x	18.9x

Source: Capital IQ, BDA

The stock indices and trading multiples graphs shown in this newsletter represent the ten largest publicly traded technology 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.

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