

ASIAN TECHNOLOGY NEWSLETTER

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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

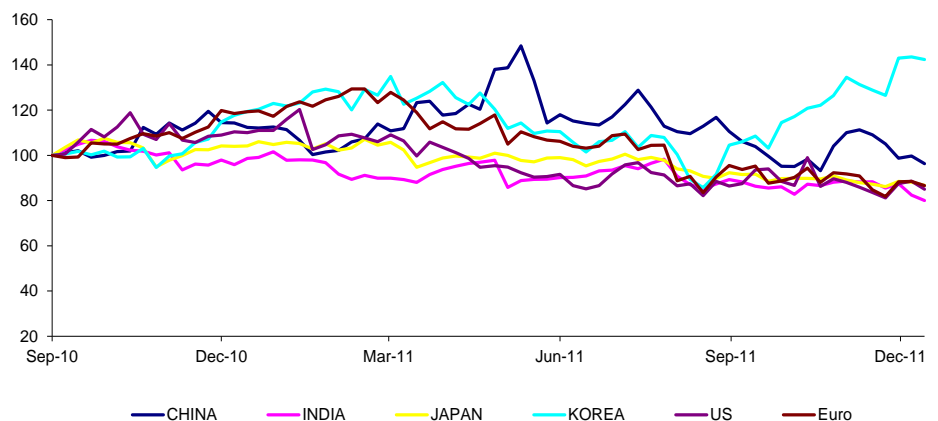
Aerospace Communications, a Chinese military and textile product manufacturer, is acquiring an undisclosed minority stake in **Shenyang E-sun Technology**, a Chinese software developer, for US\$37m. *October 14, 2011*

A group of investors including **A-fund**, **DCM** and **SIG Asia Investments** invested US\$20m in **Kanbox**, a Chinese provider of cloud storage and sharing services. *October 20, 2011*

China ITS invested US\$100m in **eSOON Holdings**, a Chinese contact center solutions provider. *October 13, 2011*

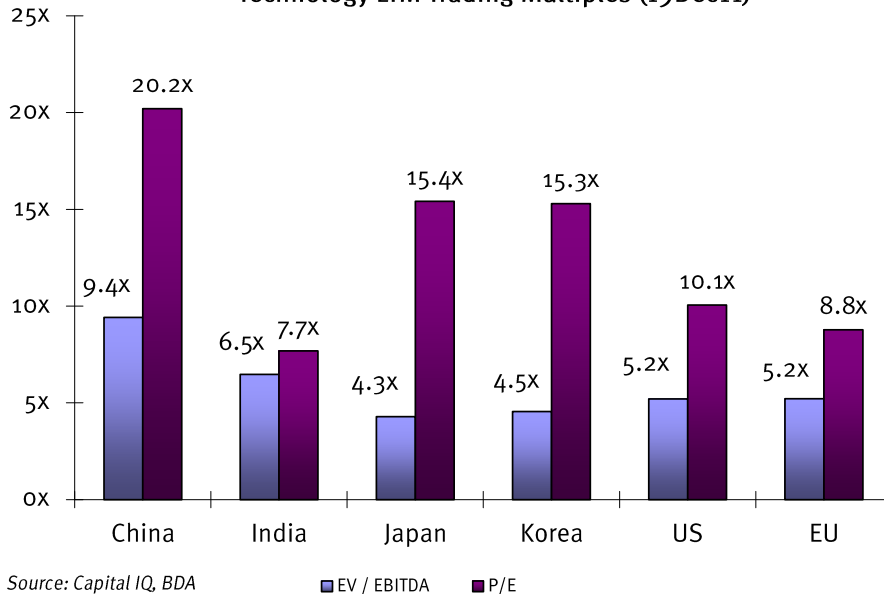
Goldman Sachs invested US\$20m in **Tarena Technologies**, a Chinese IT educational service provider. *October 3, 2011*

Technology Sector Stock Indices (12 months ending 19Dec11)



Source: Capital IQ, BDA

Technology LTM Trading Multiples (19Dec11)



Private equity firms **Legend Capital** and **DCM** invested US\$30m in **Happy Elements**, a Chinese developer of games for social networking websites. *October 17, 2011*

Private equity firms **Meridian Capital** and **SIG** invested US\$20m in **adSage**, a Chinese online advertising software and services provider. *September 19, 2011*

Premium Lead Company, a British Virgin Island based company, made a preliminary non-binding bid to acquire 32% of **Shanda Interactive Entertainment**, a Chinese entertainment media company, for US\$369m. *October 17, 2011*

Renren, a Chinese operator of a social networking website, is acquiring **QianJun**, a social media company that operates the video sharing website **56.com**, for US\$80m. *September 26, 2011*

A group of investors led by **Renren** invested US\$30m in **Mapbar**, a Chinese internet mapping service provider. *November 14, 2011*

Private equity investors **Sequoia Capital** and **Jiangnan Capital** invested US\$16m in **Lvmama.com**, a Chinese e-ticketing website operator. *September 16, 2011*

Sinotel Technologies invested an additional US\$43m in **XBell Union Communication**, a Chinese provider of wireless telecommunication infrastructure hardware and software support. *September 16, 2011*

Tencent Holdings, a Chinese internet service provider, acquired 4% of **Hangzhou ICafe Technology**, a Chinese operator of an internet entertainment platform, for US\$21m. *November 16, 2011*

Tencent Holdings, along with three new investors, invested US\$60m in

Ftuan.com. *September 28, 2011*

Tencent Collaboration Fund invested US\$100m in **kaixin001.com**, a Chinese social networking website. *October 20, 2011*

Hong Kong

Beijing Enterprises, a Hong Kong based diversified conglomerate, is investing US\$39m in **Beijing Development Hong Kong**, an investment holding company providing IT related services in China. *September 11, 2011*

Bao Yuan Holdings, a Hong Kong based investment holding company, is acquiring **m3 Technology Development**, a telecom and IT services company, for US\$51m. *November 2, 2011*

India

Aditya Birla Capital Advisors, the private equity arm of the **Aditya Birla Financial Services Group**, has invested US\$19m in **Alphion India**, the principal subsidiary of US based **Alphion Corporation**, a manufacturer of optical communications access systems and components. *November 15, 2011*

Bharti Enterprises, the Indian telecom conglomerate, and **SoftBank**, a diversified Japanese telecom and communications giant, formed a 50:50 JV called **Bharti Softbank Holdings**, to focus on the mobile Internet business. *October 20, 2011*

Cognizant, a US based IT conglomerate, acquired **Zaffera**, a US based SAP retail consulting and software development

firm, for an undisclosed amount.

September 27, 2011

Comparex Group, a German IT consulting company, acquired **IRIS Unified Technologies**, an Indian software consulting and technology services provider, for an undisclosed amount. *October 24, 2011*

Dion Global Solutions, an Indian software solutions provider for financial markets, acquired **Investmaster Group**, a UK based provider of wealth management and stock brokerage software, for an undisclosed amount.

November 25, 2011

Flipkart Online Services, which runs the Indian e-commerce site **Flipkart.com**, acquired **Mallers**, which offers a B2B platform called **mime360 (Manoramic International Media Exchange)** targeted at the music industry, for an undisclosed amount.

October 11, 2011

Genpact, India's largest BPO and technology management company, acquired **High Performance Partners** and **Quantum Mortgage Technology** for an undisclosed amount.

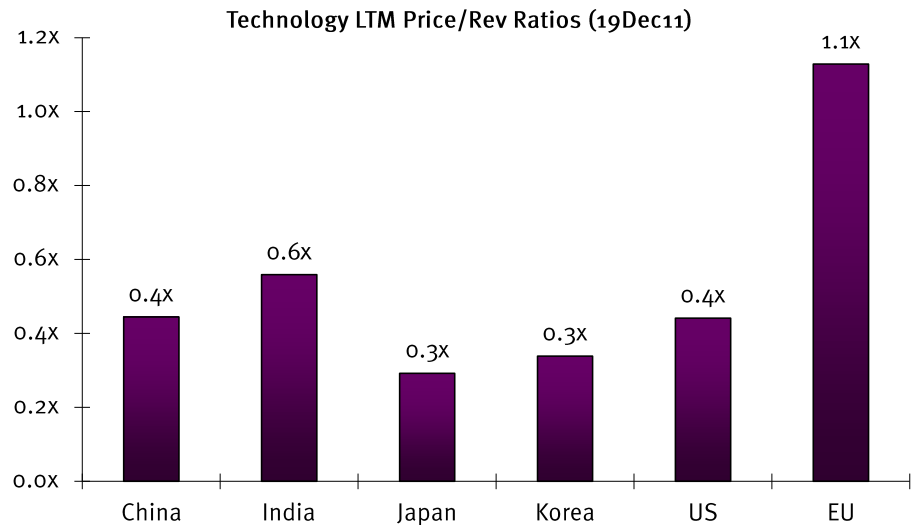
October 10, 2011

IMImobile, an Indian mobile value added service (VAS) company, acquired **Skinkers**, a developer of applications for iPhone, BlackBerry and Android-OS based handsets, for an undisclosed amount. *September 27, 2011*

Kavveri Telecom, an Indian telecom equipment maker acquired **Rymosa Telecom**, a Spanish antenna manufacturer, for US\$27m.

November 2, 2011

Netcore Solutions, an Indian digital



Source: Capital IQ, BDA

■ Price / Revenue

communications company, acquired **Ravience**, an Indian mobile marketing services provider, for an undisclosed amount. *October 17, 2011*

NIIT, the Indian IT training company, sold its US based unit **Element K** to **SkillSoft**, the leading US based SaaS provider of on-demand e-learning and performance support solutions, for US\$110m. *October 17, 2011*

Ogone Payment Services, the leading European online payment platform acquired **E-Billing Solutions**, one of the largest Indian online payment providers, for an undisclosed amount.

September 23, 2011

Polaris Software Lab, an Indian software company, acquired the remaining 49% of **IndigoTX**, a provider of enterprise brokerage solutions called **GO TX**, for an undisclosed amount.

November 23, 2011

QuEST Global Services, an Indian

provider of outsourced engineering solutions, acquired the engineering services division of UK based **GKN Aerospace Services** for an undisclosed amount. *December 2, 2011*

SPI Global, a Philippines based outsourcing services provider, acquired **Laserwords**, an Indian publishing BPO company and part of \$3bn **Murugappa Group**, for US\$23m. *November 4, 2011*

Subex, an Indian provider of operations and business support systems in the telecom sector, is acquiring the activation business from **NetCracker Technology**, a subsidiary of the **NEC Group**, for an undisclosed amount.

September 20, 2011

Xplorer Capital, a venture capital firm, acquired the stake held by **Yahoo!** in **Tyroo Media**, an Indian Digital media advertising network, for an undisclosed amount. *November 2, 2011*

Japan 

Canon has made a tender offer for acquisition of **Showa Information Systems**, a Japanese printer manufacturer, for US\$31m.

November 9, 2011

Citizen Electronics, a marketing subsidiary of **Citizen Watch**, is raising US\$26m from **Nichia Corporation**, a Japanese fine chemical manufacturer.

November 8, 2011

GAIA Holdings, a Japanese mobile and computer software developer, is acquiring the remaining 43% of **G-mode**, a Japanese mobile network game content developer, for US\$19m.

October 6, 2011

G-cluster Global, a Japanese cloud gaming company, and **OneBe**, a data wiping products developer, raised undisclosed amounts from **Intel Capital**.

November 15, 2011

Mamezou OS Holdings, a Japanese IT consulting company, acquired 80% of **JM Technology**, an IT infrastructure service provider, for US\$13m.


October 6, 2011

Shibuya Kogyo, a Japanese manufacturer of industrial machines and systems, is acquiring 86% of **KAIJO Corporation**, an ultrasonic technology company, for US\$23m.

November 25, 2011

Yahoo Japan acquired 16% of **Macromill**, a Japanese provider of online research services, for an undisclosed amount.

November 25, 2011

Korea 

CSJ Networks, a Korean business management service company, is acquiring 36% of **Ubiquam**, a Korean mobile handset manufacturer, for US\$12m.

September 27, 2011

Gamigo, a German online gaming company, acquired 20% of **Ons On Soft**, a Korean online games developer, for an undisclosed amount.

November 10, 2011

Infraware, a Korean internet-based technology developer for embedded systems, acquired 22% of **DIOTEK**, a mobile software solution developer, for US\$12m.

November 15, 2011

KDDI Corporation, a Japanese telecom service provider, acquired 86% of **Cdnetworks**, a Korean content delivery and streaming service provider, for US\$167m.

October 12, 2011

Nexon Corporation, a Korean developer of online entertainment software, acquired 16% of **JCEntertainment**, a Korean developer of online games, for US\$56m.

October 25, 2011

SK Telecom, a Korean telecom company, is acquiring 15% of **Hynix Semiconductor**, a manufacturer of advanced memory semiconductor products, for US\$2bn.

November 14, 2011

UTC & Company is acquiring 33% of **Digital Aria**, a Korean multimedia software developer for digital appliances, for US\$22m.

September 14, 2011

Philippines 

NTT DOCOMO, the Japanese telecom company, acquired an additional 2% of **Philippine Long Distance Telephone**, a telecom company, for US\$263m.

November 17, 2011

Metro Pacific Resources, an investment holding company, also acquired 3% of **Philippine Long Distance Telephone**, a telecom company, for US\$336m.

November 17, 2011

San Miguel, the Philippines based beverage company, is acquiring 38% stake in **Eastern Telecommunications Philippines**, an IT, telecom and multimedia service company, for US\$35m.

October 20, 2011

Singapore 

Asia Mobile Holdings, a Singaporean telecom company, raised its stake in **StarHub**, a Singaporean information communication company, to 57% by acquiring additional 7% for an undisclosed amount.

November 16, 2011

D2 Communications, a Japanese mobile marketing and advertising company, invested US\$10m in **Affle**, a Singaporean mobile media company, that provides mobile messaging and advertising solutions.

October 4, 2011

JAFCO, a Japanese private equity and venture capital firm, invested US\$13m in **Nubee**, a Singaporean games development studio.

October 12, 2011

Shaw Kwei & Partners, a Hong Kong based private equity firm, is acquiring **Beyonics Technology**, a Singaporean electronics manufacturing (EMS) company, for US\$107m. *October 5, 2011*

Wirecard, a German electronics payment and risk management solution provider, is acquiring **Systems@Work**, a Singaporean developer of mobile phone cross-platform secure payment services, for US\$79m. *November 28, 2011*

Taiwan

Advanced Semiconductor Engineering, a Taiwanese provider of semiconductor packaging and testing services, is acquiring 44% of **5Power Ase Technology**, a provider of fine pitch ball grid array for DRAM products, for US\$65m. *November 8, 2011*

Amber Universal, a Taiwanese manufacturer of mainboard and motherboards, has raised US\$30m through a private placement with **Realtek Semiconductor**. *October 17, 2011*

Insyde Software, a Taiwanese provider of system firmware and software engineering services, raised US\$10m through private placement of its convertible bonds with **Intel Capital**. *September 16, 2011*

Nanya Technology, a Taiwanese dynamic random access memory (DRAM) manufacturer, raised US\$988m through a private placement with its parent company, **Formosa Plastics Group** and its subsidiaries. *October 5, 2011*

WPG Holdings, a Taiwanese electronic products distributor, is acquiring **AECO**

Technology, another local electronic products distributor, for US\$79m.

October 5, 2011

Vietnam

Viettel Corporation, a Vietnamese postal and telecom service provider, is acquiring **EVN Telecom**, a mobile telecom company, for an undisclosed amount. *October 26, 2011*

Asian Technology Transactions with Multiples (12 months ending 20Dec2011)

Announce Date	Target Name	Target Country	Acquirer Name	Acquirer Country	Deal Value	Percentage Acquired	EV / EBITDA	EV / Revenue	P/E
9-Nov-11	Showa Information Systems	Japan	Canon Marketing Japan	Japan	\$57.9	99.8%	13.2x	2.2x	-
14-Sep-11	Digital Aria	Korea	UTC & Company	Korea	\$21.7	32.5%	16.6x	5.5x	17.8x
6-Oct-11	G-Mode	Japan	GAIA Holdings	Japan	\$18.5	43%	2.1x	0.1x	18.0x
6-Oct-11	JM Technology	Japan	Mamezou OS Holdings	Japan	\$12.9	80.3%	7.0x	0.2x	45.7x
5-Oct-11	Beyonics Technology	Singapore	Shaw Kwei & Partners	Hong Kong	\$149.0	100%	5.9x	0.1x	-
8-Aug-11	Chip One Stop Inc.	Japan	Arrow Electronics	US	\$90.7	94.0%	11.1x	1.6x	24.2x
29-Jul-11	Maspro Denkoh Corp.	Japan	Hashiyama KK	Japan	\$206.4	79.0%	2.2x	0.3x	6.5x
14-Jul-11	IntraPower Ltd	Australia	TPG Telecom	Australia	\$14.4	80.0%	7.2x	0.6x	-
6-Jul-11	Kingsoft Corp.	China	Tencent Holdings	China	\$114.6	16.0%	10.3x	3.6x	7.5x
10-Jun-11	Web Money Corp.	Japan	KDDI Corp.	Japan	\$237.6	97.0%	11.5x	0.2x	28.7x
26-Apr-11	Samshin Circuit	Korea	Isupetasys	Korea	\$11.1	66.0%	-	0.3x	-
25-Mar-11	TPV Technology	Hong Kong	Mitsui & Co.	Japan	\$85.7	5.0%	7.7x	0.2x	6.6x
14-Feb-11	Sinosoft Technology	China	Alibaba.com	China	\$25.8	25.0%	28.1x	6.2x	-
23-Dec-10	Hyundai Information Technology	Korea	Lotte Data Communication	Korea	\$88.9	52.3%	9.3x	0.6x	NM
9-Dec-10	Aaeon Technology	Taiwan	ShuoYang Technology	Taiwan	\$171.3	93.3%	10.1x	1.8x	12.6x
2-Dec-10	Invoice Inc.	Japan	MBK Partners	Korea	\$244.2	72.7%	4.7x	0.2x	4.9x
				Median	\$87.3	75.9%	9.3x	0.4x	15.2x

Source: Capital IQ

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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