

ASIAN TECHNOLOGY NEWSLETTER

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A Quarterly newsletter of developments in the IT, semiconductor and electronics industries

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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Cambodia

Vimpel-Communications, the second largest Russian cellular provider, has acquired 90% of **Sotelco**, a Cambodian GSM service provider, from **Altimo**, a Russian investment company for US\$28m. Altimo is the holding company for **Alfa Group Russia**, which holds a stake in Vimpel-Communications. The remaining 10% will be held by a Cambodian partner. The Cambodian mobile market is worth US\$14m with a low penetration level of 18%. *July 21, 2008*

China

The Boeing Co has acquired 40.5% of **BHA Aero Composites Co**, a Chinese

manufacturer of composite parts for the aerospace secondary structures and interiors industry, from **Hexcel Corp**, a US advanced structural materials manufacturer, for US\$22m. BHA Aero Composites Co is a JV of the Boeing Co, **China Aviation Industry Corp I (AVIC)** and Hexel Corp. The Boeing Co will hold 80% of BHA with the remaining 20% owned by AVIC. *July 21, 2008*

China Electronics Corp Holdings Co, a Chinese mobile handsets maker, has agreed to acquire **Hua Da Electronics**, a Chinese integrated circuits designer, from **Beijing Shoufa Xinan Data System, China Huada Integrated Circuit Design (Group) Co**, and other private investors, for US\$195m. *June 20, 2008*

Grace Dragon International Holdings

Ltd, a Chinese digital storage devices manufacturer, has agreed to acquire **Matsunichi Digital Technology (Shenzhen) Co**, which also produces digital storage devices, from **Matsunichi Communication Holdings Ltd**, a Hong Kong digital consumer products maker, for US\$15m. This transaction will enable Matsunichi Communication to focus on property development in China. *June 11, 2008*

Ingenico SA, a French manufacturer of electronic payment systems, terminals, card readers, and related electronic funds transfer point-of-sale (POS) peripherals, has acquired 55% of **Fujian Landi Commercial Equipment Co**, a Chinese ATMs, POS electronic devices and tax control registers maker. Fujian Landi was acquired from **SJ Holdings**

Inc., a Japanese systems developer, and **Fujian Start Computer Group Co.**, a Chinese computer manufacturer, for US\$17m cash. *June 25, 2008*

Kantone Holdings Ltd., a Hong Kong IT solutions provider, has agreed to acquire **Good Holdings Ltd.**, a Seychelles gaming software and sports network systems developer, from **Good Talent Technology, Guan Feng Technology Ltd, Hudson Sky Ltd** and **Westcity International Ltd** for US\$50m. *July 30, 2008*

Orbit E-Commerce (OECl) and **PureNet. TV Hong Kong** have established a JV with **HangZhou ZhengYuan Software Technology Ltd.**, a Chinese IT company, bringing Internet Protocol Television (IPTV) services to China. The JV company will have immediate access to ZhengYuan's debit and smart card technology and customer base, consisting of 15m subscribers and 3,000 corporate and institutional clients in China. *July 10, 2008*

Sitronics, a Russian provider of telecommunications, IT and microelectronic solutions, has established a 51:49 JV with **ZTE**, a telecommunications equipment supplier in China. The JV, located in Hangzhou, is called **Sitronics-ZTE** and will develop and produce telecommunications equipment, CDMA terminals and specialized electronic products. *September 17, 2008*

They Ltd., a Chinese online games operator and developer, will establish

a JV with Korea-based online games developer **T3 Entertainment Co.** The JV will focus on further development of "Audition 2" and other games in the "Audition" series. *July 10, 2008*

Hong Kong

GlobeCast, a French provider of content management and worldwide transmission services, has agreed to acquire **Pacific Century Matrix (HK) Ltd (PCM)**, the Hong Kong broadcasting services company, from **Pacific Century Group**, the Hong Kong internet business company, for an undisclosed consideration. PCM will be renamed **GlobeCast Hong Kong**. *July 17, 2008*

TCL Industries Holdings (HK) Ltd., a Hong Kong holding company, has agreed acquire 32.2% of **TCL Multimedia Technology Holdings Ltd.**, a Hong Kong electronics and multimedia products manufacturer, for a minimum offer price of US\$115m. The price represents a discount of 31.5% over TCL Multimedia's closing price on 29 May, the day before the announcement. TCL Industries already holds 39.5% of TCL Multimedia. *June 6, 2008*

India

Aegis Communications Inc., the business process outsourcing (BPO) arm of **Essar Group**, has acquired US **PeopleSupport Inc.**, an offshore BPO company, for US\$250m at US\$12.25 per share. PeopleSupport specializes

in travel, transport support, banking and financial services and has 8,500 employees working in Costa Rica, the Philippines and the US. PeopleSupport will be integrated into Aegis's existing business operations. *August 5, 2008*

Allied Digital Services Ltd (ADSL), an Indian IT infrastructure and outsourcing company, has agreed to acquire 80.5% of **En Pointe Global Services Llc**, a US IT infrastructure management service provider, from its parent company **En Pointe Technologies Sales Inc (ENPT)**, for US\$25m cash and stock. ADSL will pay US\$10m in cash and issue 745,000 shares to ENPT, which will hold a one-year lockup. ADSL will invest US\$4m and ENPT will invest US\$1m to expand En Pointe Global. ENPT will retain a 19.5% stake in En Pointe Global. *July 9, 2008*

Citycom Networks has acquired **Spectranet Ltd.**, an Indian network convergence services provider, from **Punj Lloyd Ltd.**, an Indian engineering and construction company, for an undisclosed consideration, estimated to be US\$29m. **Citycom Networks** is the Indian JV company of **Spanco Telesystems & Solutions Ltd.**, an Indian networking and systems integration solutions company, and **Shyam Group**, an Indian conglomerate. *June 18, 2008*

Google sold its search engine marketing business **Performics** to French advertising group **Publicis Groupe**. The terms were not disclosed. Performics will form part of Publicis Groupe's VivaKi Nerve Center (VivaKi),

a new strategic entity launched by the Groupe last June. VivaKi leverages the collective scale of Digitas, Starcom-MediaVest, Denuo and Zenith-Optimedia to develop new services, tools and partnerships, including emerging performance marketing platforms. *August 7, 2008*

Idea Cellular (Idea) will acquire 40.8% of **Spice Communication Ltd (Spice)** from **MCorpGlobal Communications Ltd**. Idea will also pay US\$1.2m to Spice as a non-compete fee. Idea and **Telekom Malaysia International** will make an open offer for an additional 20% stake in Spice. The open offer is scheduled at a price of US\$1.74 per share. Spice shareholders will receive 49 Idea shares for each 100 shares of Spice. Idea will make a preferential allotment to Telekom Malaysia of 465m shares at US\$3.39 per Idea share representing 15% of Idea's equity capital post allotment. *June 25, 2008*

A consortium of investors has acquired a majority stake in **Quippo Telecom Infrastructure Ltd (QTIL)**, an Indian telecom tower operator, for US\$186m. As part of the transaction, Indian PE firm **IDFC Private Equity Co** acquired 12.2%, Singaporean investment holding company **Indivest Pte Ltd** acquired 12.2%, while Omani state-owned fund **Oman Investment Fund** acquired 18.7% for US\$114m. **Quippo Infrastructure Equipment Ltd**, an Indian infrastructure equipment rental company and a shareholder of QTIL and **DB Zwirn & Co LP**, a US hedge fund manager, also participated. DB Zwirn

will hold 16.2% of QTIL. *August 12, 2008*

Rolta India (Rolta), an Indian IT services provider, has agreed to acquire **WhittmanHart Consulting**, a US consulting services provider, from **WhittmanHart Interactive**, for an undisclosed consideration. The transaction provides Rolta with strong resources in Hyperion software technology and enterprise performance management (EPM), as well as an opportunity to expand overall services. *July 29, 2008*

Semantic Space Technologies, an Indian software solutions company and a portfolio company of **UTI Venture Fund Management Co Private Ltd**, an Indian venture capital firm, has acquired **Prolifics**, a US company system integrator specializing in IBM technologies, for US\$40m cash. US\$26m will be paid upfront with the remainder in the form of earn-outs over two years. Semantic will combine Prolifics with its subsidiary **Arsin** and will operate as the **Semantic Space Group** with 1,500 employees and revenues of US\$100m. *July 2, 2008*

The promoters of the **Videocon Group**, the Dhoot family, have acquired 14% of Mumbai broadband company **IOL Netcom Ltd**, for an undisclosed consideration. The Dhoots acquired 11.7% through their investment arm **Shree Dhoot Trading & Agencies Ltd**. Videocon also owns 1.8% through **Videocon Realty & Infrastructure Ltd**. *August 1, 2008*

WNS (Holdings) Ltd, an Indian offshore

BPO services provider, has agreed to acquire **Aviva Global Services**, an Indian policy administration provider, from **Aviva plc**, a UK life and pension products company, for US\$228m cash. *July 10, 2008*

Japan

Fine Holdings, a Japanese investment vehicle, has agreed to acquire 69% of **Nextech Corp**, a Japanese software developer, for US\$14m. Fine Holdings is a special purpose company established by Nextech's board members and is jointly owned by **Fuji Inc** and **Industrial Growth Platform Inc**. *July 29, 2008*

Furukawa Electric Co, a Japanese manufacturer of automotive components, has agreed to acquire the remaining 45% in **Inoue Manufacturing Co**, a Japanese manufacturer and distributor of electrical parts, for a stock consideration valued at US\$13m. Furukawa Electric currently holds a 55% stake in Inoue Manufacturing. *August 7, 2008*

LAC Holdings Inc, a Japanese system integration and security solutions provider, has acquired **NIWS Co**, a Japanese server solutions provider for financial institutions, and **NIWS Co HQ Ltd**, a listed Japanese information systems solutions provider, for US\$784m. *July 23, 2008*

The management of **Nippon Computer Systems Corp**, a Japanese computer systems developer, has agreed to

acquire the company in a MBO backed by **Palace Capital Partners Inc**, a Japanese fund involving **Mitsubishi UFJ Financial Group Inc** and **Mitsubishi UFJ Securities Co** for US\$22m. The successful bid will ensure the delisting of Nippon Computer Systems from the JASDAQ stock exchange. *August 4, 2008*

NEC Corp, a Japanese internet service and software solutions provider, and **Sumitomo Electric Industries**, a Japanese electric wire and cable maker, have agreed to acquire **OCC Holdings Corp**, a Japanese telecoms cables manufacturer, from an investment fund managed by **The Longreach Group Inc**, for an undisclosed consideration. Under the terms of the agreement, NEC will hold 75% and the remainder will be held by Sumitomo. OCC Holdings has 224 employees and reported revenues of US\$164m in 2007. *July 1, 2008*

Rohm Co, a Japanese electronic components maker, has agreed to acquire 95% of **Oki Semiconductor Co**, a Japanese semiconductor company, from **Oki Electric Industry Co**, a listed Japanese manufacturing company, for US\$795m. *July 24, 2008*

Japanese technologies group **TDK** plans to acquire **Epcos**, a German semiconductor manufacturer, for US\$2.1bn. TDK plans to merge Epcos with its own electronic components business to form a separate company. *July 31, 2008*

Korea

Duksan Hi-Metal Co, a Korean solder balls maker, has acquired 500,000 shares, representing 83%, in **Ludis**, the Korean OLED material and high purity refining equipment maker, from **Shinsung ENG Co**, a Korean semiconductor fabrication equipment company, for a cash consideration of US\$21m. *July 15, 2008*

Galaxia Communications, a Korean computer software company, has agreed to acquire the e-payment service business unit of **Cyberpass Inc**, a Korean electronic transaction solutions provider, for US\$35m cash. The transaction is expected to close in September 2008. *August 1, 2008*

Infitron Inc, a Korean traffic systems provider, will acquire 60% of **Semiwell Semiconductor Co**, the Korean semiconductor developer for the power industry, for US\$14m. *August 6, 2008*

Innerex Co, a Korean server hosting services company, will acquire 49% of **Innomtech Co**, a Korean software developer, from **IN Wireless Holdings Co** and **Han Ivy**, two Korean computer software companies, for US\$20m cash. Innerex will acquire 13m shares in Innomtech. The transaction is expected to close on 31 October 2008. *August 1, 2008*

LG-Nortel Co, a Korean communications company, has acquired **Novera Optics Inc**, a US low-cost, high-performance optical access solutions developer,

for US\$26m cash. The Company will pay US\$10m as an earn-out to Novera security holders based on achievements over the next 18 months.

August 4, 2008

Singapore

Dimension Data Holdings plc, a UK specialist IT services and solutions provider, has offered to acquire **Datacraft Asia Ltd**, a Singapore independent IT services company. The transaction will be a cash tender offer. Dimension will pay US\$1.33 per Datacraft share, valuing the Company at US\$614m. The offer price represents a 34.3% premium to the closing price on 21 July, the day before the announcement. The deal has a maximum cash consideration of US\$276m of which US\$226m will be provided by Dimension. *July 22, 2008*

GES Investment Pte Ltd, a Singapore IT company and wholly-owned subsidiary of **Venture Corp Ltd**, a Singapore electronic and computer products company, has acquired the remaining 40% in **Scinetic Engineering Pte Ltd (SCE)**, also a Singaporean electronics and IT products company, for US\$14m cash. Venture acquired 60% of Scinetic in November 2005 for US\$12m. *June 11, 2008*

Toppan Printing Co, a Japanese-listed printing and packaging company, has made a cash offer to acquire the entire share capital of **SNP Corp Ltd (SNP)**, a Singaporean listed counterpart. The

deal is valued at US\$153m. **Green Dot Capital Pte Ltd** is the largest shareholder of SNP, with a 53.5% stake.

June 10, 2008

Taiwan

Chi Mei Optoelectronics Corp, a listed Taiwanese manufacturer of thin-film transistor liquid-crystal display (TFT-LCD) flat panel displays, has acquired **TOA Optronics Corp**, a Taiwanese LCD monitors products maker, for US\$20m.

June 19, 2008

Molex Inc, a listed US electronic components company, has acquired **AFlextech Inc**, a Taiwanese flexible circuit board maker, for an undisclosed consideration. **BDA advised Molex on the acquisition.** AFlextech Inc has revenues of US\$25m and has 300 employees. It will operate as a subsidiary of Molex Inc and will be part of the company's Global Integrated Products Division. The acquisition will enable Molex to boost its capabilities in flex circuits. July 2, 2008

United Arab Emirates

Network International, an Emirati payment and processing service provider, and **Oberthur Technologies**, a French supplier of card-based solutions, have established a JV to create a cards security and personalization bureau in the UAE. The JV will provide 10m cards in the first year. July 10, 2008

To submit stories to future editions of this newsletter, please contact Andrew Huntley in London on (44) 20-7655-3500 or email ahuntley@bdallc.com.

Business Development Asia is an investment bank which assists multinational companies in expanding their businesses in Asia through JVs, acquisitions, divestments and capital raising.

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