

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.

BDA advised Rexel of France on the successful divestment of a luxury distribution and retail business in Asia, in March 2010.

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

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Australia

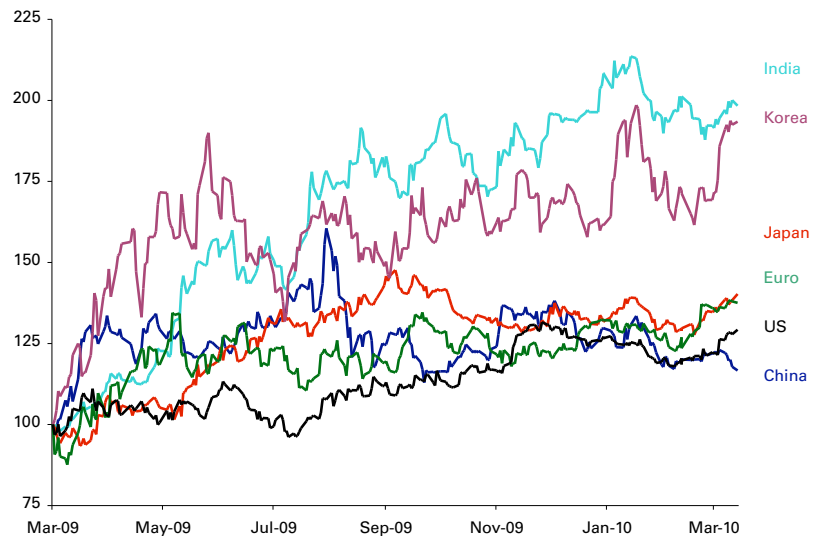
Auckland Airport, a listed New Zealand airport operator, will acquire 25% of **North Queensland Airports**, an Australian airport operator, from **Westpac Banking Corp**, a listed Australian retail and wholesale bank, for US\$122m. *January 11, 2010*

K&S Corp, a listed Australian transport and logistics, contract management, warehousing and distribution and fuel distribution company, will acquire **Pacific Transport**, an Australian heavy duty transportation company with revenues of US\$20m. *December 3, 2009*

China

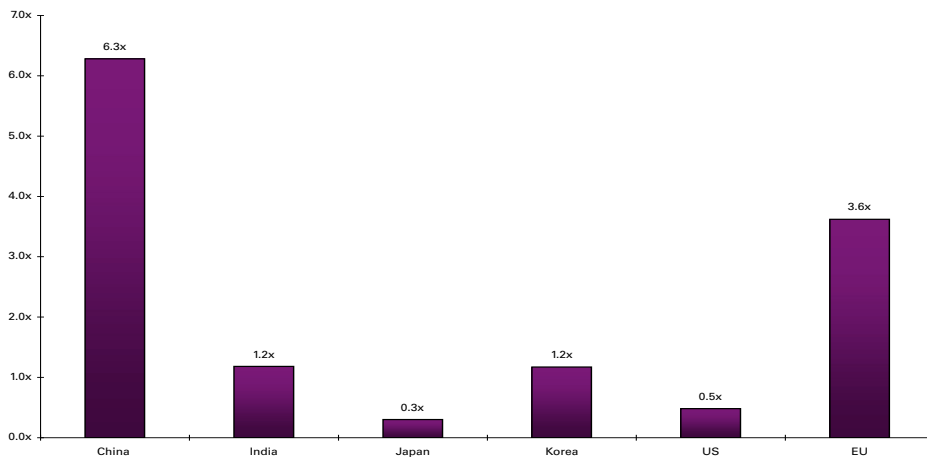
China is planning to develop a high

Logistics Stock Indices for Selected Countries (12 months ending 15Mar10)



Source: ThomsonOne, BDA

Logistics Price/Revenue Multiples for Selected Countries (15Mar10)



Source: ThomsonOne, BDA

speed rail infrastructure project to connect 17 countries in Asia and Eastern Europe. China hopes to complete this massive infrastructure project within 10 years, which will include three major rail lines running at speeds of 320 km/hour.

March 15, 2010

Cathay Pacific and **Air China**, two Asian airlines, have agreed to merge some of their cargo operations through a purchase of 49% of **Air China Cargo** by Cathay. This deal will give Air China access to Cathay's global freighter network and strong logistics capability, out of Cathay's Hong Kong base. February 25, 2010

China Merchants International Container Terminal ("Qingdao"), a Chinese terminal services provider and a wholly owned subsidiary of listed Hong Kong based conglomerate **China Merchants Holdings**, and **Qingdao New Qianwan Container**

Terminal, a Chinese container terminals operator, will form a 50:50 JV, **Qingdao Qianwan United Container Terminal**. This JV will be formed for the construction, operation and management of container terminals. January 18, 2010

Daqin Railway, a Chinese railway transportation service provider, has signed an agreement to acquire 41% of **Shuang Railway Development** and 90% of **Taiyuan Railway Juli Zhuangxie**, from **TaiYuan Railway Administration**, for US\$4.8bn. November 12, 2009

Huaneng Power International, a listed Chinese electric power company, plans to acquire 60% of **Fujian Luoyuanwan Luneng Harbour**, 60% of **Qingdao Luneng Jiaonan Port**, 73% of **Luoyuan Luneng Ludao Pier**, 58% of **Fuzhou Port Luoyuanwan Pier**, and 53% of **Shandong Luneng Sea Transportation**, from two

Chinese energy companies, **Shandong Electric Power** and **Shandong Luneng Development Group**, for US\$1.3bn.

January 3, 2010

Hunan Automobile City Yongtong, a Chinese auto retailer, and **Mr Jiang Zongping**, a Chinese private investor, will acquire **Changsha Hongji Transport**, a Chinese car rental company, from **Shenzhen Hongkai Group**, a listed Chinese real estate group and **Dai Shiyong**, a Chinese private investor, for US\$7m. November 24, 2009

Tianjin Teda Landun Group Development, a Chinese petrochemical producer and subsidiary of **Tianjin TEDA**, a listed Chinese domestic trading company, will acquire 40% of **Nanjing Lanyan Petrochemical Storage and Transport**, a Chinese oil storage and transportation company, from Chinese investor, **Qian Qilian**, and **Nanjing Lianzheng Trading Industrial**, a Chinese chemical products company, for US\$18m. December 16, 2010

Hong Kong 🇭🇰

China Pharmaceutical Group, a listed Hong Kong pharmaceutical company, through its subsidiary **Shijiazhuang Pharma Group Hebei Zhongrun Pharmaceutical**, has entered into a US\$7m JV with **Shijiazhuang Pharmaceutical Group** for the storage, sourcing and distribution of pharmaceutical products. February 24, 2010

New World Mobile Holdings, a Hong Kong property investment and technology

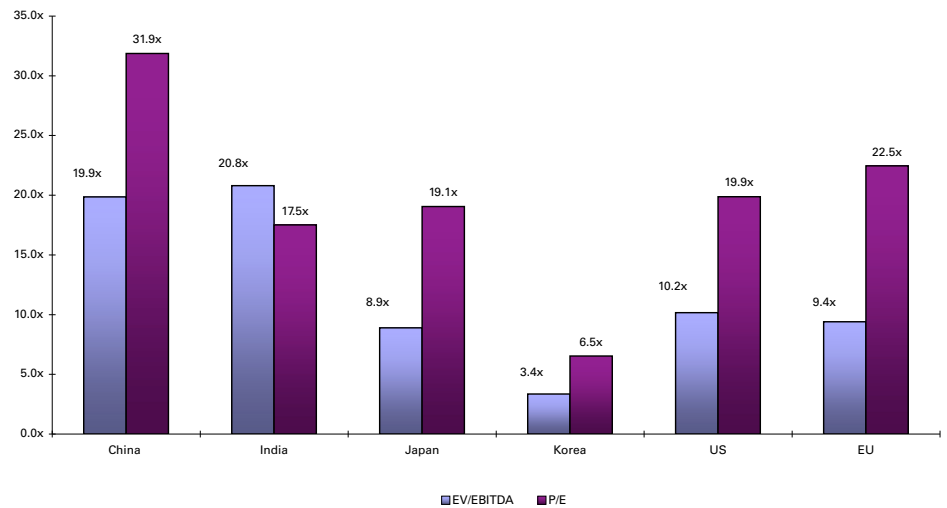
services company, will acquire **Glory Key Investments** for US\$12m. Glory Key Investments is a Hong Kong charter flight services company and a subsidiary of listed mining and energy provider, **Mongolia Energy Corp.** *November 11, 2009*

Deutsche Post, a Germany logistics company, plans to invest US\$41m to expand its Hong Kong operations into a single, multi-user facility for **DHL** supply chain services. *March 3, 2010*

DKSH Group, a privately held Swiss company and a leading distribution services provider with a focus on Asia, has acquired **HCL Asia** from **Rexel**, a global leader in the distribution of electrical supplies, for an undisclosed consideration. HCL Asia, headquartered in Hong Kong, distributes luxury products such as watches, skin care products and other fashion-related products in Hong Kong, Taiwan, Korea and the Pacific islands through a network of 54 sales outlets as a wholesaler, retailer, and duty-free agent, on behalf of well-known brands such as *Bally*, *Rolex* and others. This business was non-core for Rexel and generated sales of US\$57m in 2009 (out of total Group sales of US\$15.4bn). **BDA served as the exclusive advisor to Rexel on the divestment of HCL Asia.** *March 13, 2010*

Veolia Transport China, a subsidiary of **Veolia Transportation**, a French private operator of public transportation, will acquire the remaining 50% it does not already own of **Hong Kong Tramways**, a Hong Kong tram operator, from **Wharf**

Logistics Trading Multiples for Selected Countries (15Mar10)



Source: ThomsonOne, BDA

Transport Investments. *February 17, 2010*

India

BDP International, a global transportation and logistics company, has formed a US\$6m 65:35 JV with India's **Unique Global Logistics**, called **BDP Global Logistics.** *March 5, 2010*

Blackstone, the US private equity firm, will acquire an undisclosed stake in **Gateway Rail Freight**, an Indian freight transportation company, from **Gateway Distriparks**, a listed Indian container, rail and cold chain logistics company, for US\$64m. *November 9, 2009*

GVK Power & Infrastructure, a listed Indian developer and maintainer of airports and road transport, will acquire 17% of **Bangalore International**

Airport from **Larsen & Toubro**, a listed Indian engineering and construction conglomerate, for US\$149m. *December 7, 2009*

Jet Airways, an Indian passenger airline transportation services provider, will acquire 26% of **MAS GMR Aerospace Engineering Co**, an Indian airport and terminal services provider, from its 50:50 JV partners **GMR Hyderabad International Airport** and **MAS GMR Aerospace Engineering.** This transaction will allow Jet Airways to expand its existing MRO services. *January 25, 2010*

Nippon Yusen Kaisha, a Japanese logistics and shipping company, through its Netherlands subsidiary, **NYK Holdings**, has acquired 26% of **TM International Logistics Ltd**, an Indian JV of **Tata Steel**, to increase its Indian presence in steel logistics. *March 9, 2010*

Indonesia

Concord Energy, a Singaporean crude oil and petroleum products wholesaler, has acquired 25% of **PT Taruna Bina Sarana**, an Indonesian logistics services provider, from **Cipta** and **PT Bintang Erlindo**. Concord Energy acquired 10% from Cipta and 15% from Bintang Erlindo. *January 13, 2010*

PT Prima Energi Persada Indonesia, an Indonesian logistics services provider, acquired 50% of **PT Patra Supplies & Services**, an Indonesian logistics company and unit of Indonesian-state owned **PT Pertamina (Persero)**, for an undisclosed consideration. *January 8, 2010*

Korea

Hanexpress, a Korean logistics services provider, will acquire the logistics business of **Dreampharma Corp**, a Korean pharmaceuticals manufacturer, for US\$2m. *February 10, 2010*

Hanjin Shipping Holdings, a Korean investment holding company, has launched a tender offer to acquire a further 40% of **Hanjin Shipping**, a Korean shipping company, in a stock swap reverse takeover transaction valued at US\$643m. *February 5, 2010*

Malaysia

Gunung Capital, a Malaysian investment holding company, will acquire 51% of

GPB Corp Sdn, a Malaysian provider of transportation services, from private investor, **Syed Abu Hussin Bin Hafiz Syed Abdul Fasal**, for US\$5m. *January 20, 2010*

Hoe Leong Corp and **Grand Columbia Holdings**, two investors groups, will acquire four shipping assets of **Sumatec Resources**, a Malaysian engineering services provider, for US\$31m. *January 6, 2010*

Kencana Petroleum Ventures, a Malaysian provider of drilling and vessel chartering services and a subsidiary of **Kencana Petroleum**, has acquired **Thrive Alliance Sdn**, a Malaysian operator of offshore support vessels. *February 4, 2010*

Philippines

Banco De Oro Universal Bank, a Philippines holding company and a provider of property development and insurance services, will acquire 12% of **Metro Pacific Tollways**, a Philippines toll roads owner and operator. **Metro Pacific Tollways** is a subsidiary of private equity firm **Metro Pacific Investment**, for US\$30m. *February 15, 2010*

Singapore

Cargotec, a Finland-based cargo handling solutions provider, has opened a new facility in Singapore as the new regional logistics hub at the cost of US\$14m. *February 25, 2010*

KS Distribution, a Singaporean

investment holding company owned by **KS Energy Services** and **Actis Capital**, will acquire **Aqua-Terra Supply**, a listed Singaporean logistics services provider to the oil and gas and marine industries, for US\$94m. *December 8, 2010*

Kwong Hing International, a listed Hong Kong knitted fabrics and dyed yarns manufacturer, will acquire **Rimau Shipping**, a Singaporean charter vessel company, from **Ng Xinwei** and **Ng Say Pek**, two Singaporean private investors, for US\$21m. *November 11, 2009*

Taiwan

DKSH Management, a Swiss market expansion services company, has acquired a majority stake in **Chiao Tai Logistics**, a Taiwanese logistics company, for US\$11m, to strengthen DKSH's position in Taiwan. *February 11th, 2010*

Vietnam

AA International, a Malaysian investment holding company and wholly-owned unit of Malaysian airline, **AirAsia Bhd**, will acquire 30% of **VietJet Aviation Joint Stock**, a Vietnamese passenger airline and majority-owned unit of **SOVICO Holdings**, from a Vietnamese investor, **Nguyen Thi Phuong**, for US\$10m. *February 10, 2010*

Marine Supply & Engineering Service JSC ("MASERCO"), a Vietnamese shipbuilding company, is seeking a buyer for its 5% stake in **Nam Duong Marine**

JSC, a Vietnamese shipping company. Concurrently, **MASERCO** announced that it was seeking a buyer for its 6% stake in **Maserco Container Service**. *January 18, 2010*

Asian Logistics Transactions with Multiples for Selected Countries (12 months ending 15Mar10)

Announce Date	Target Name	Target Country	Acquirer Name	Acquirer Country	Deal Value	Acquisition Type	EV / EBITDA	EV / Revenue	P/E
10-Feb-10	Kajimaroad	Japan	Kajima Corp	Japan	\$57.6	-	-	0.1x	8.2x
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	-
27-Oct-09	NWS Holdings	HK	NWS Holdings	HK	\$398.2	-	36.1x	1.8x	12.2x
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
9-Sep-09	Hopewell Highway	HK	Hopewell Highway	HK	\$181.9	-	10.6x	5.5x	13.3x
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	-
28-May-09	Taiheiyo Kaiun	Japan	Nippon Yusen Kabushiki	Japan	\$78.6	59.2%	5.7x	0.8x	-
19-May-09	Japan Airport Terminal	Japan	Japan Airport Terminal	Japan	\$209.0	20.0%	5.5x	0.9x	25.2x
18-May-09	Kurimoto Bridge	Japan	IHI Corp	Japan	\$31.7	100.0%	-	0.5x	-
14-May-09	Singapore Airport Terminal Svc	Singapore	Shareholders	Singapore	\$933.1	-	7.7x	1.7x	11.5x
20-Apr-09	Road King Infrastructure	HK	Road King Infrastructure	HK	\$35.3	-	-	1.9x	4.2x
14-Apr-09	GZI Transport	HK	GZI Transport	HK	\$52.9	-	4.0x	2.8x	6.7x
3-Apr-09	Cathay Pacific Airways	HK	Cathay Pacific Airways	HK	\$413.7	-	-	0.7x	-
3-Apr-09	Sinotrans	China	Sinotrans	China	\$30.2	-	1.0x	0.0x	8.6x
16-Mar-09	Tianjin Port	China	Grand Point Investment	HK	\$1,483.0	-	10.9x	2.0x	18.9x
26-Feb-09	Shanghai Airlines	China	Jinjiang Intl Hldg	China	\$146.5	-	-	1.1x	-
10-Feb-09	YUD Yangtze River Invest	China	Wuhan Econ Dvlp Invest	China	\$27.0	16.3%	98.5x	1.4x	697.5x
6-Feb-09	Shenzhen Chiwan Wharf	China	Keen Field Enterprises	HK	\$23.7	3.9%	4.3x	2.6x	6.5x
21-Jan-09	Shun Tak Holdings	HK	Shun Tak Holdings	HK	\$73.1	11.7%	27.9x	2.3x	47.9x
19-Jan-09	Seibu Transportation	Japan	Seino Holdings	Japan	\$159.9	90.0%	-	0.2x	1.1x

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
pdigiacom@bdallc.com

Marc Liu, Associate
mliu@bdallc.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, pdigiacom@bdallc.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