

# 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 at [pdigiacom@bdallc.com](mailto: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.

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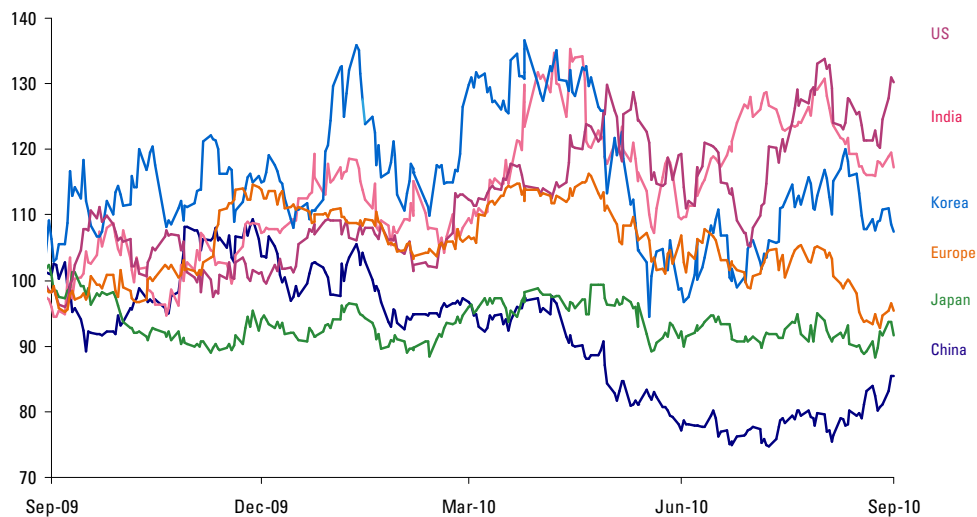
## Australia

**ACM Shipping Group**, a listed UK oil transportation broker, has agreed to acquire **Endeavour Shipbrokers**, an Australian dry cargo shipbroker, for US\$9m. *June 24, 2010*

**China Merchants Group**, a Hong Kong group involved in transportation infrastructure, banking, insurance, funds, securities, real estate, energy shipping and logistics, has acquired a controlling stake in **Loscam Ltd**, an Australian company manufacturing products used in the storage, handling and movement of raw materials, finished goods and fresh produce, from **Affinity Equity Partners**, a Hong Kong private equity firm, for an estimated US\$580m. *July 7, 2010*

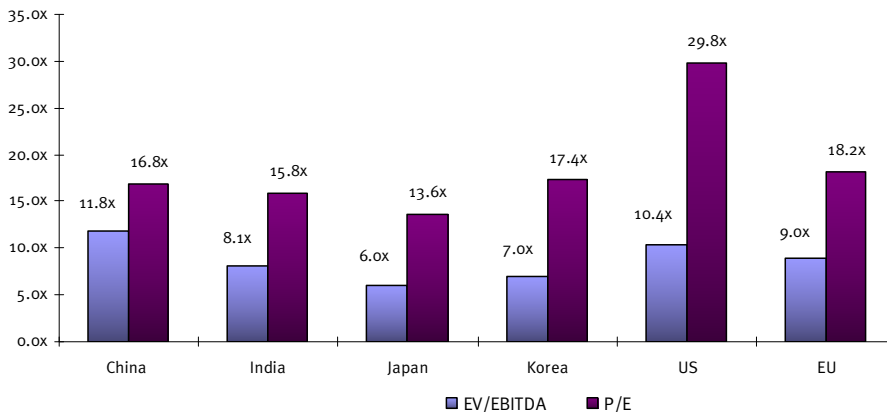
**ComfortDelGro Corp**, a Singaporean provider of bus, taxicab, and railroad

Logistics Stock Indices for Selected Countries (12 months ending 10Sep10)



Source: Thomson One, BDA

### Logistics Trading Multiples for Selected Countries (15Sep10)



Source: Thomson Reuters, BDA

transportation and car rental services, announced a plan to acquire **Swan Taxis**, an Australian provider of taxicab transportation services, for US\$34m.

July 16, 2010

## China

**China Eastern Airlines**, a listed Chinese airline, and **Yunnan State-owned Assets Supervision and Administrative Commission**, a Chinese state owned agency, have agreed to set up a US\$190m 65:35 JV airline called **CEA Yunnan**.

July 26, 2010

**Eastern Aviation Import & Export Company**, a Chinese company engaged in the import and export of aircraft and aviation equipment, has agreed to acquire **Shanghai Aviation Import And Export**, an import and export subsidiary of **Shanghai Airlines**, for an estimated US\$8m.

July 28, 2010

**Jiangyin Sunan International Container Terminal**, a Chinese company engaged in loading and unloading, storage, maintenance, washing and leasing of containers, has signed a definitive agreement to be acquired by **Jiangyin New Harbour City Development and Construction**, a Chinese land development company, **Paul Y Corp**, a Hong Kong investment holding company, and **Shanghai International Port**, a Chinese logistics company, for US\$44m.

June 30, 2010

**Shandong Expressway Co**, a listed Chinese company engaged in the construction, management, maintenance, and administration of highways, bridges, tunnels, and ports, has agreed to acquire **Shandong Expressway Operation & Management Co**, a Chinese railway operating company, and 51% of **Shandong Weilai Expressway**, a Chinese highway operating company, from **Shandong Expressway Group**, a Chinese company engaged in building and

managing expressways and bridges, for US\$1.1bn. *June 30, 2010*

**Shanghai Jin Jiang International Hotels (SJJIH)**, a Chinese restaurant owner and operator, and a 69%-owned unit of state-owned **Jinjiang International Holdings**, agreed to raise its stake from 2.22% to 40.76% in **Shanghai Jin Jiang International Industrial Invest Co**, a Chinese passenger transportation services provider, for US\$306m. *August 13, 2010*

**Yihai Jiali Investment Co**, a Chinese investment company, plans to acquire 15% of **Dongguan Shenchowan Port Co**, a Chinese provider of port-related services and a wholly-owned unit of **China Nanshan Development Group**, for US\$14m. *August 18, 2010*

## Hong Kong

**Chu Kong Shipping Development**, a listed Hong Kong company engaged in shipping agency, river trade cargo direct shipment and transshipment, wharf cargo handling, cargo consolidation and go-down storage and container hauling and trucking, has signed a definitive agreement to acquire 75% of **Civet Logistics**, a Chinese logistics company, from **Civet Investment Co**, a Hong Kong investment company, for US\$11m. *August 2, 2010*

**Li & Fung**, a Hong Kong sourcing company, plans to acquire logistics firm **Integrated Distribution Services**, a Hong Kong listed integrated distribution and logistics services provider specializing in value-chain logistics, for an estimated US\$570m. The purpose of the transaction is to position Li & Fung for distribution and

wholesaling opportunities in China and the rest of Asia. *August 16, 2010*

**OAQ Novorossiyskiy Morskoy Torgovyi Port**, a Russian seaport owner and operator, acquired 80% of **Henford Logistics**, a Hong Kong based provider of logistics services, for an undisclosed amount. *August 12, 2010*

## India

**Eredene Capital**, a British real estate development company, acquired 8.22% of **Ocean Sparkle**, an Indian port services operator, from **Swiss Technology Venture Capital Fund**, for US\$11m. *July 8, 2010*

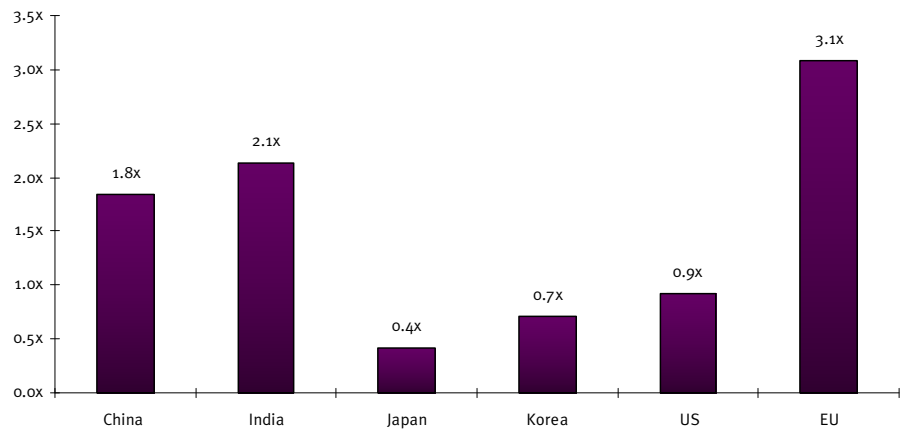
**GVK Power & Infrastructure**, announced that it was seeking a buyer for its 26% stake in **GVK Airport Developers**, a provider of airport construction and development services. **Temasek holdings**, **Blackstone group** and **SBI-Macquarie** were named potential bidders. *July 1, 2010*

**GVK Power & Infrastructure**, which owns 29% in **Bangalore International Airport (BIAL)**, plans to buy **Siemens Project Ventures'** 40% stake in the airport and take majority control. BIAL is valued at approximately US\$1.3bn. *August 20, 2010*

## Indonesia

**Bakrie & Brothers**, an Indonesian investment holding company, has agreed to raise its interest from 15% to 75% in **Cimanggis Cibitung Tollways**, an Indonesian provider of toll road services,

Logistics EV/Revenue for Selected Countries (15Sep10)



Source: Thomson Reuters, BDA

from **PLUS Expressways Bhd**, a Malaysian expressway developer, for US\$7m.

*July 19, 2010*

**Jasa Sarana PT**, an Indonesian state-owned investment holding company focused on infrastructure, plans to acquire 25% of **Trans Jabar Toll PT**, an Indonesian provider of toll road services, for an undisclosed amount. *June 24, 2010*

An investor group comprised of **Sunmax Enterprise Ltd** and **Suntech Group Holdings** acquired 31.92% of **Rukun Raharja Tbk PT**, an Indonesian provider of marine port services, for an undisclosed amount. Sunmax will own 24.92% and Suntech will own 7%. *July 15, 2010*

**Wiera Intermoda Utama PT**, an Indonesian provider of air charter services, acquired an undisclosed majority interest in **Kura Kura Aviation PT**, an Indonesian provider of passenger and cargo air charter services, from private investors **Evi Susanti** and **Dinawati**, for an undisclosed

amount. *July 30, 2010*

## Japan

**Fuji Logistics**, a listed Japanese logistics services provider, has agreed to be acquired by **Mitsubishi Logistics**, a listed Japanese provider of warehousing and transportation services, from **Fuji Electric Holdings**, a listed Japanese holding company, for US\$154m. *July 30, 2010*

**JALSKY Nagoya Co**, a Japanese provider of airport ground services and majority owned unit of **Suzuyo & Co**, agreed to acquire the Nagoya air cargo business of **JAL Cargo Service Co**, a Japanese provider of air mail and cargo services, and a wholly-owned unit of **Japan Airlines Corp (JAL)**, for an undisclosed amount. **Suzuyo** also agreed to acquire 95% of **JALSKY Nagoya** and **Chubu Sky Support Co** from **JAL**. *August 19, 2010*

**Logicom**, a Japanese logistics company

and a wholly-owned unit of **SBS Holdings**, acquired **AC system Corp**, a Japanese provider of customs clearance services, from **Kazuhisa Orita**, the Japanese investor, and other 23 undisclosed shareholders, for US\$11m. *July 23, 2010*

## Korea

**CJ GLS INC**, a Korean provider of logistics and supply chain management services, agreed to merge with **SC Logis Co**, a Korean provider of logistics services, in a stock swap transaction. *June 23, 2010*

Creditors of **Hyundai Engineering & Construction** are rumored to be seeking a buyer for 8.3% stake in **Hyundai Merchant Marine**, a Korean provider of marine transportation services. *July 19, 2010*

**Mapletree Logistics Trust**, a subsidiary of Singapore's **Temasek Holdings**, has agreed to acquire **Multi-Q Centre** in Gyeonggi-do, from **Multi-Q Logistics Co** for US\$32m. The property comprises a three-storey warehouse with floor area GFA of 20,800 sqm, and a four-storey warehouse with ancillary cold storage facilities with floor area of 7,900 sqm. **Multi-Q Logistics Co** specializes in the storage and distribution of fast moving consumer goods. *August 22, 2010*

## Malaysia

**Esmart Holdings Ltd**, a listed Singaporean company, has agreed to acquire **DFZ Capital Berhad**, a listed Malaysian company engaged in retail, property

management and transportation, through a mandatory take-over offer from **Atlan Holdings Berhad**, a listed Malaysian company, for US\$195m. *July 28, 2010*

**Megan Millenium**, a Malaysian investment holding company, acquired 20% of **Harbour Ivory**, a Malaysian shipping company and a unit of **Harbour Link Group**, for an undisclosed amount.

*July 26, 2010*

## New Zealand

**Auckland International Airport**, a New Zealand airport owner and operator, acquired 24.99% of **Queenstown Airport Corp** for US\$20m. *July 8, 2010*

**The Australian Competition and Consumer Commission** has rejected an alliance between airlines **Virgin Blue** and **Air New Zealand** due to concerns the merger would adversely affect competition for flights between Australia and New Zealand. *September 10, 2010*

## Philippines

An investor group comprised of Philippine state-owned **Development Bank of the Philippines** and **Land Bank of the Philippines** plans to acquire the remaining 25% in **Metro Rail Transit Corp**, a Philippine provider of urban passenger transportation services, for an undisclosed amount. *August 9, 2010*

**San Miguel Corp**, a Philippine conglomerate, is in talks to join the **Philco Aero Group**, a Philippine owned

consortium, to bid for a state contract to upgrade the **Diosdado Macapagal International Airport**, an international airport north of Manila and a former US military airbase. *September 11, 2010*

## Singapore

**B. Pacorini**, Italian company engaged in transportation, warehousing and handling of commodities, has acquired the remaining 50% of **Pacorini Metals (Asia)**, a Singaporean JV providing integrated logistics solutions and trade finance facilitation for the ferrous and non-ferrous metals industries, from **Toll Holdings Ltd**, an Australian transportation and logistics solutions provider, for an undisclosed amount. *July 7, 2010*

**Otto Ventures**, a Singaporean provider of marine acquisition services and a wholly-owned unit of **Otto Marine**, acquired 19.9% of **Hako Offshore**, a Singaporean provider of integrated marine offshore services, for US\$3m. *July 1, 2010*

**Rig Tenders Indonesia**, an Indonesian provider of logistics services and a majority-owned unit of **Scomi Marine**, agreed to acquire **CH Logistics**, a provider of logistics services, from **Scomi Marine**. **Rig Tenders** also agreed to acquire **CH Ship Management**, **Goldship Pvt** and **Batuah Abadi Lines**. The three transactions have a combined value of US\$38m. *July 12, 2010*

## Vietnam

**Marine Supply & Engineering Service JSC**, a Vietnamese ship manufacturer,

plans to acquire 13.93% of **Hai An Transport & Loading Co**, a Vietnamese provider of transport and goods loading services, for US\$1m. *July 22, 2010*

**SkyWest Inc**, a US holding company for **SkyWest Airlines**, a US airline, has announced a plan to acquire 30% of **Vietnam Aviation JSC**, a Vietnamese airline, for an undisclosed amount.

*July 2, 2010*

*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.*

**Asian Logistics Transactions with Multiples for Selected Countries (12 months ending in 23July10)**

Announce Date	Target Name	Target Country	Acquirer Name	Acquirer Country	Deal Value	Acquisition Type	EV / EBITDA	EV / Revenue	P/E
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	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 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
			<b>Median</b>		<b>\$80.4</b>	<b>33.5%</b>	<b>7.9x</b>	<b>1.0x</b>	<b>13.6x</b>

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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