

# 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



**Alibaba.com**, a Chinese B2B e-commerce website, acquired 25% of **Sinosoft Technology**, a Chinese software developer and systems integration service provider, for US\$26m. *February 14, 2011*

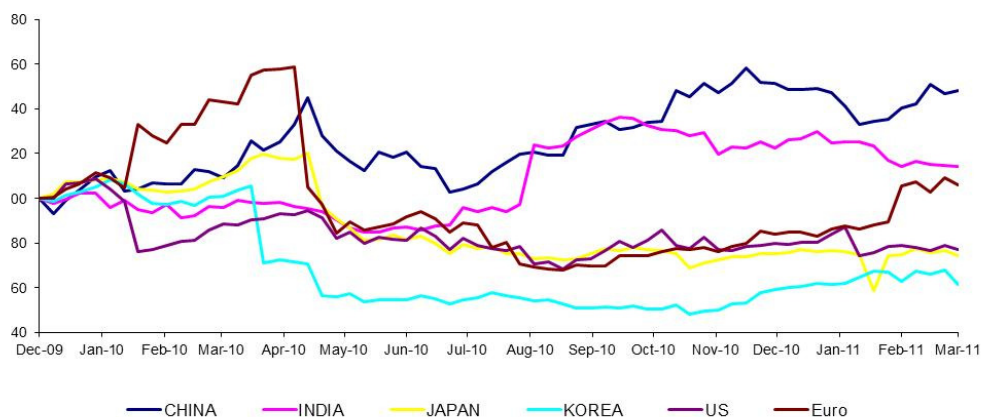
**Cavium Networks**, a US-based microprocessor manufacturer, has agreed to acquire **Celestial Semiconductor**, a Chinese system-on-chip (SoC) processor provider, for US\$65m from a group of private equity firms including **Fuse Capital**, **Walden International**, **Western Technology Investment** and **Sandalwood Partners**.

*January 31, 2011*

**C&C Pacific Capital** acquired 5% of **China ITS**, a transportation infrastructure technology provider, from **Binks Investments** for US\$47m.

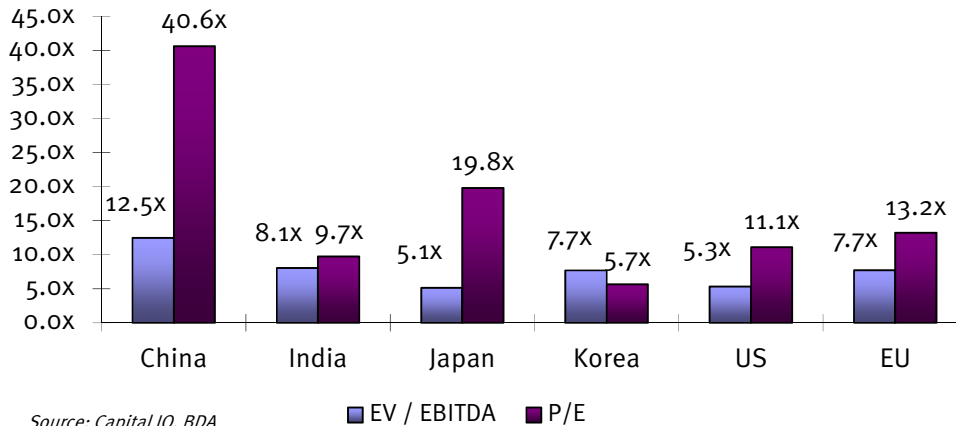
*January 17, 2011*

Technology Sector Stock Indices (12 months ending 16Mar11)



Source: Capital IQ, BDA

## Technology LTM Trading Multiples (14Mar11)



**Chengdu B-ray Media**, a Chinese printing and advertising company, has agreed to acquire **Shanghai Chenyan Information Technology**, a Chinese mobile games developer for Apple's online platform, for US\$40m.

*December 23, 2010*

**Ericsson** agreed to acquire **Guangdong Nortel Telecom Equipment**, the Chinese unit of telecom devices manufacturer **Nortel Networks**, for US\$50m. *Jan 12, 2011*

**Glodon Software**, a Chinese IT application developer, acquired **Morrowsoft**, a Chinese developer of project management software, for US\$14m. *December 9, 2010*

**Moli Mobile**, a Chinese online gaming company, has agreed to acquire 90% of **Oberon Information Technology**, a Chinese mobile game developer, for US\$10m. *February 12, 2011*

**Shanghai Great Wisdom Company**, a Chinese financial information services company, agreed to acquire **Financial China Information & Technology**,

a Chinese financial information database provider, for US\$17m.

*February 1, 2011*

**Shenzhen Founder Cyber Tech**, a Chinese computer hardware manufacturer, has agreed to acquire 92% of **Dongguan Founder Technology Computer Company**, a Chinese computer hardware manufacturer, for US\$40m.

*December 7, 2010.*

**Sony** has agreed to acquire **Suzhou Epson**, a Chinese manufacturer of LCD, HTPS-TFT panels and electronic devices, from **Seiko Epson** for US\$118m.

*February 2, 2011*

**VODone**, a Chinese internet video broadcasting company has agreed to acquire 70% of **3GUU Mobile Entertainment**, a Chinese mobile game platform developer, from a group of venture capital and private equity firms, for US\$30m. *December 6, 2010*

**Xiamen 35.Com Technology**, a Chinese internet company, has agreed to acquire 60% of **Beijing Zhongya**

**Hulian Technology Development**, a Chinese IT services provider, for US\$19m. *January 15, 2011*

## Hong Kong

**Excel Score**, a company wholly owned by Hong Kong investor Mr. Wai San Pong, is acquiring 80% of **FlexSystem Holdings**, a Hong Kong based enterprise software developer, for US\$17m. *January 5, 2011*

**Glorywin Holdings**, an investment holding company entered into an agreement to acquire **Armitage Technologies**, a Hong Kong based IT service provider, for US\$14m.

*January 25, 2011*

**Palmpay**, a Chinese mobile payment gateway and value-added-service provider, acquired 51% of **China Optic Communication Technology**, a Hong Kong based provider of optical fibre, telecommunication and electric power services, for US\$9m.

*January 25, 2011*

## India

**Groupon**, the daily-deal website, acquired Indian upcoming daily deals website, **SoSasta.com**, for an undisclosed amount. *January 10, 2011*

**HCL Infosystems**, a major Indian IT company, acquired 20% of **Techmart Telecom Distribution**, a Dubai-based distribution partner of **Nokia**, for an undisclosed amount. *December 30, 2010*

A consortium comprised of **iGate** and private equity fund **Apax Partners**

acquired 63% of **Patni Computer Systems**, an Indian IT company, for US\$921m. *January 10, 2011*

**iYogi**, an Indian remote consumer tech support company, has raised US\$30m from **Sequoia Capital** and a group of existing private equity firms including **Canaan**, **SVB Capital Partners**, **SAP Ventures** and **Draper Fisher Jurvetson**. *December 14, 2010*

**KineticGlue**, an Indian enterprise-focused, social collaboration firm, acquired **Injoos Web Solutions**, a provider of social media tools for enterprises, for an undisclosed amount. *December 10, 2010*

**NetAmbit InfoSource & e-Services**, an Indian financial products distribution company, acquired the personal finance portal **Rupeetalk.com**, for an undisclosed amount. *December 13, 2010*

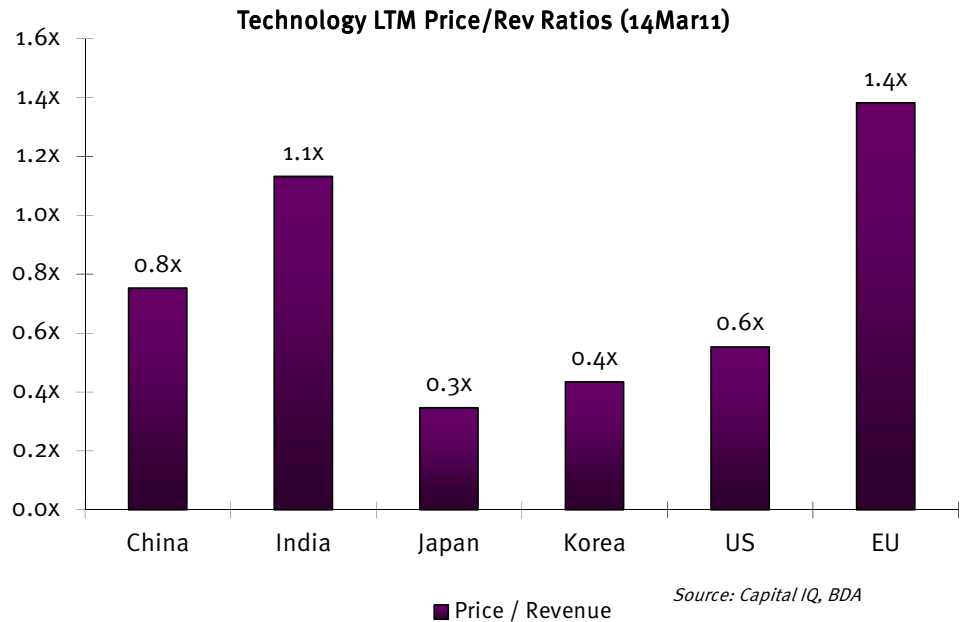
**Nokia** agreed to acquire the Indian arm of the mobile payment solutions provider, **Obopay**, for an undisclosed amount. *December 7, 2010*

**Pearson**, the British media group is increasing its stake in **TutorVista Global**, an Indian education-cum-consumer internet services firm, to 76% from 17% for US\$127m. *January 18, 2011*

**Salesforce.com**, a leading CRM software developer, acquired **Dimdim**, an Indian web conferencing company, for US\$31m. *January 7, 2011*

**Tikona Digital Networks**, an Indian wireless broadband service provider, is acquiring the networking services arm of the **HCL Group**, **HCL Infinet**, for an undisclosed amount. *January 19, 2011*

**Trimble**, a leading provider of advanced



location-based solutions in the US, has acquired **Tata AutoComp Mobility Telematics**, a provider of telematics solutions and Mobile Resource Management services, from **Tata Group** in India, for an undisclosed amount. *December 10, 2010*

**Warburg Pincus**, the private equity firm, acquired a minority stake in the leading Indian outsourced engineering services provider, **QuEst Global Services**, for US\$75m. *December 3, 2010*

**Ybrant Digital**, a digital marketing company, raised US\$48m from a group of private equity investors comprising of **Oak India Investments**, **Asia Pacific Capital** and **ICICI Bank**. *January 18, 2011*

## Indonesia

**Antara Surya**, an Indonesian telecom service provider, acquired **Nap Info Lintas Nusa**, a telecom and networking service provider, for an undisclosed amount. *December 27, 2010*

A private investor group comprised of **Rejeki Multi Cemerlang** and **Mitra Infosarana**, acquired **Mitra Infoparama**, an Indonesian IT company, for an undisclosed amount. *January 19, 2011*

**Sinergitama Mandiri**, an Indonesian distributor of telecom products, acquired 45% of **Sinergitama Komindo**, an Indonesian company engaged in the same line of business, for an undisclosed amount. *December 23, 2010*

**Spice i2i**, a Singaporean telecom service provider and mobile phone manufacturer, acquired Indonesian mobile handset player, **Affinity Group** for US\$175m. Affinity owns the local brand **Nexian**. *February 1, 2011*

## Japan

**Gree**, a Japanese internet media company, agreed to acquire 77% of **Atlantis**, an internet publishing

company, for US\$19m. *January 18, 2011*

**Hon Hai Precision Industry**, a Taiwanese electronic and electrical equipment manufacturer, has agreed to acquire majority of **Hitachi Displays**, a Japanese LCD modules and thin film transistor color LCD modules manufacturer, for US\$1.2bn.

*December 27, 2010*

**JB Enterprise Solution**, a Japanese systems consulting and solution services company, acquired 65% of **Advanced Application**, a Japanese software developer, for US\$18m.

*December 22, 2010*

**Konami Corporation**, a Japanese computer games developer agreed to acquire the remaining 46% of **Hudson Soft**, a US based games and entertainment software developer, for US\$52m. *January 20, 2011*

**Polaris Capital Group**, a Japanese private equity investor, agreed to acquire **Works Application Company**, a business application packages and related support services developer, for US\$311m. *December 2, 2010*

**Nidec Corporation**, a Japanese manufacturer of precision electronic and optical components, agreed to acquire, **Sanyo Seimitsu**, a manufacturer of mini precision motors and vibration motors for mobile phones, for US\$83m. *December 9, 2010*

**Olympus**, the Japanese precision machinery and instrument manufacturer, has agreed to acquire the remaining 8% of **ITX**, a Japanese supplier of IT and life sciences equipment, for US\$36m. *February 18, 2011*

**Sojitz Corporation**, a Japanese trading company is increasing its stake in

**Sakura Internet**, a provider of internet services through internet backbones and data centers, to 40% from 29% for US\$13m. *February 22, 2011*

**Sony Semiconductor Kyushu**, a subsidiary of **Sony**, acquired **Nagasaki Chip Plant** from **Toshiba** for US\$638m.

*February 28, 2011*

**Sumisho Computer Systems**, a Japanese IT service provider and a subsidiary of **Sumitomo**, agreed to acquire **CSK**, an IT consulting service provider, for US\$1.5bn. *February 24, 2011*

**Toshiba**, the electronic equipment manufacturer, acquired the remaining 20% of **Toshiba Storage Device**, from **Fujitsu**, for US\$49m.

*December 28, 2010*

## Korea



**J Communications**, a Korean manufacturer of communication devices, raised US\$31m through a private placement of its bonds with **JJ Investments**. *December 10, 2010*

**KT Telecop**, a Korean provider of remote security products and services, raised US\$33m through a private placement. *December 28, 2010*

**Lotte Data Communication**, a Korean IT company providing consulting, system integration, networking and e-business solutions, acquired 52% of **Hyundai Information Technology**, a Korean IT services company, for US\$89m. *December 29, 2010*

**Netwave**, a Korean telecom equipment manufacturer, has agreed to acquire **Sungwoo E&T**, a manufacturer of

radiation detection equipment, for US\$14m. *February 18, 2011*

**Sejong Telecom**, a Korean telecom company along, with **Q Capital Partners**, a private equity investor, acquired 39% stake in **Onse Telecom Corporation**, a local telecom company, for US\$17m. *December 23, 2010*

**Webzen**, a Korean online games developer, acquired **YMIR Entertainment**, an online 3D MMORPG PC games developer, for US\$70m. *January 26, 2011*

## Philippines



**Alorica International**, a US based call center service provider, agreed to acquire **Advanced Contact Solutions**, a Philippines based provider of outsourced call center services, for US\$18m. *January 31, 2011*

**Vega Telecom**, a Philippines based unit of **San Miguel Group** and a provider of telecom services, acquired **Australia Gigahertz Networks**, a telecom service provider in Philippines, for an undisclosed amount. *December 30, 2010*

## Singapore



**Grey Communications Group** of the UK, agreed to acquire an undisclosed majority stake in **Yolk**, a Singaporean provider of web-based advertising services. *December 20, 2010*

**Mr. Lee Keow Chin**, a Singaporean investor agreed to acquire **E2Vision**

**Technology**, a Singaporean developer of subsystems of video related products. Concurrently, Lee also agreed to acquire **E-Smart Distribution** (Singapore), **Teknologi E-S** (Malaysia) and **E-Smart Electronics**; 51% of **E-Smart Technology** (Singapore) and 49% of **E-Smart Distribution** (Thailand). *February 2, 2011*

**NTT DATA**, the Japanese IT service provider agreed to acquire **Cornerstone Asia Tech**, a provider of analytic applications and business intelligence solutions, for an undisclosed amount. *February 16, 2011*

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## Taiwan



**KDDI**, a Japanese telecom service provider, acquired a 76% of **KKBox**, a Taiwanese provider of online digital music services, for US\$59m.

*December 15, 2010*

**Mitsui Group** of Japan is acquiring a 16% of **Formosa Epitaxy**, a Taiwanese manufacturer of optoelectronic products, for US\$92m. Another 3% of Formosa Epitaxy was acquired by **Opto Technology**, a Taiwanese manufacturer of optoelectronic components, for US\$18m. *December 27, 2010*

**Sho Yang Technology**, a unit of Taiwanese computer products manufacturer, **Asustek Computer**, acquired **Aaeon Technology**, a manufacturer and wholesaler of computer and computer peripherals, for US\$171m. *December 9, 2010*

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## Thailand



**Spice izi**, a Singaporean telecom service provider and mobile phone manufacturer, acquired **NewTel**, the second largest local branded mobile handset player in Thailand, for US\$22m.

*December 9, 2010*

## Asian Technology Transactions with Multiples (12 months ending 16Mar11)

| Announce Date | Target Name                          | Target Country | Acquirer Name                          | Acquirer Country | Deal Value    | Percentage Acquired | EV / EBITDA | EV / Revenue | P/E          |
|---------------|--------------------------------------|----------------|--|------------------|---------------|---------------------|-------------|--------------|--------------|
| 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         |
| 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     | Atlas                                | 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       |
|               |                                      |                |  | <b>Median</b>    | <b>\$47.3</b> | <b>40.7%</b>        | <b>9.6x</b> | <b>1.0x</b>  | <b>18.7x</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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