

# ASIAN SPECIALTY CHEMICALS NEWSLETTER

DECEMBER 2009, ISSUE 61

A Quarterly newsletter of developments in the chemicals industry

We hope you find the Asian Specialty Chemicals Newsletter informative.

The troubled chemical sector is consolidating fast, and the center of gravity of the industry is shifting to Asia.

BDA is an investment banking advisory firm which assists multinational clients to identify, assess and execute cross-border transactions involving Asia, including acquisitions, divestments, JVs, capital raising, and restructuring. We have offices and professional staff throughout Asia, the

Middle East, the US, and Europe.

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 [erellie@bdallc.com](mailto:erellie@bdallc.com). Contact details for our offices are at the back of this newsletter. We look forward to speaking with you in the future.

Euan Rellie, Senior Managing Director  
[erellie@bdallc.com](mailto:erellie@bdallc.com)

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## Australia

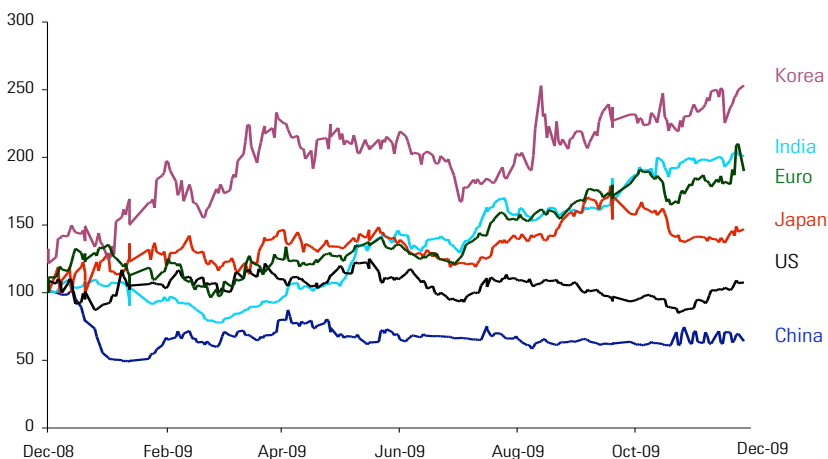
**Akzo Nobel**, a listed Dutch paints, coatings and specialty chemicals company, has agreed to acquire **Penford Australia's** specialty grain wet milling plant in Lane Cove, Australia for an undisclosed amount. *November 23, 2009*

**RPM International**, a US-based, branded coatings and sealants products, has acquired **Ascoat Contracting**, an Australian wholesaler and installer of industrial floor surfaces, for an undisclosed amount. *September 23, 2009*

## China

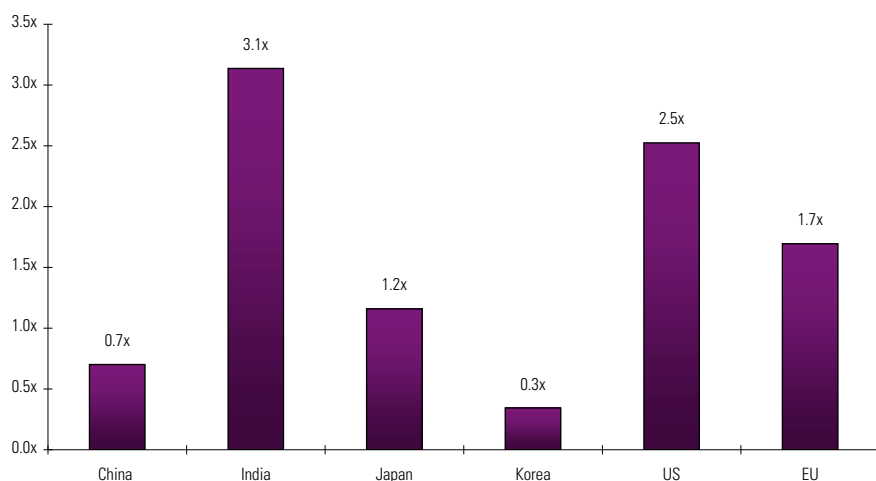
**Air Products and Chemicals**, a listed US-based industrial gases and chemicals

Chemical Stock Indices for Selected Countries (12 months ending 9Dec09)



Source: ThomsonOne, BDA

Specialty Chemicals Price/Revenue Ratios for Selected Countries (11Dec09)



Source: ThomsonOne, BDA

provider, has opened a polyurethane additives and epoxy plant in Nanjing, China. *November 19, 2009*

**Chongqing Huapont Pharm**, a listed Chinese pharma company that specializes in APIs and finished dosages, will acquire the remaining 77% of **Nutrichem Laboratory**, a Chinese manufacturer of agrochemicals, pesticide, fungicide and herbicide, for US\$124m. *October 8, 2009*

**Clariant**, a Swiss-based specialty chemicals company, plans to build an ethylene oxide derivatives plant in Daya Bay. *November 20, 2009*

**Commonwealth Biotechnologies Inc**, a listed US-based life sciences company has agreed to acquire **GL Biochem (Shanghai)**, a Chinese chemicals company and its R&D affiliates **GL Biochem (Danyang)**, **GL Peptide (Binhai)**,

and 86% of **GL Peptide (Shanghai)**, for an undisclosed consideration. *September 3, 2009*

**Evonik Industries AG**, a German specialty chemicals company, has begun operating its methyl methacrylate plant in Shanghai. The Chinese market accounts for 7% of Evonik's global chemicals business. *November 24, 2009*

**Hunan Tianrun Chemical Industry Developing**, a listed Chinese chemical fertilizer manufacturer, has agreed to acquire 64% of **Hunan Jinye Fertilizer**, an agrochemical company from **Yueyang State-owned Asset Management**, for \$11m. *September 28, 2009*

**Hunan Xianghui Asset Management**, a Chinese investment company focused on high tech and real estate, has agreed to acquire certain assets of **Hunan**

**Genuine New Material Group**, a listed Chinese aluminum and plastic products manufacturer, for US\$95m. *November 3, 2009*

**Inner Mongolia Yuan Xing Energy Company Ltd**, a listed Chinese chemicals manufacturer, has agreed to acquire 32% of **Inner Mongolia Boyuan Coal Chemical Industry**, a Chinese coal chemicals manufacturer from **Inner Mongolia Berun Group**, a Chinese chemicals manufacturer, and **Shanghai Zendai Investment Development Co**, a Chinese real estate investment company, for US\$53m. *September 2, 2009*

**LANXESS**, a German specialty chemicals company, plans to build a black iron oxide pigments plant in Jinshan, Shanghai. *November 13, 2009*

**OSRAM GmbH**, a German lighting manufacturer, has agreed to acquire 50% of **Wuxi Xinwei Fluorescent Materials**, a Chinese producer of fluorescent products from **Silver Mile Holdings Ltd**, a subsidiary of **China Rare Earth Holdings Ltd**, a listed Hong Kong rare earth and refractory products manufacturer for an undisclosed consideration. *October 19, 2009*

**Xinjiang Bayin State-owned Assets Management** has agreed to acquire **Xinjiang United Chemicals Co**, a Chinese agricultural products manufacturer from parent company **Xinjiang Korla Pear**, an agriculture and fruit processor, for an undisclosed consideration. *September 24, 2009*

## Hong Kong

**Hong Han Ltd** plans to launch a mandatory tender offer to acquire the remaining 48.7% of **Greenfield Chemical Holdings Ltd**, a Hong Kong-based industrial coatings manufacturer, from COL Capital Ltd for US\$36m. Hong Han had acquired 51.3% of Greenfield Chemical on December 8, 2009 for US\$38m.

*December 10, 2009*

## India

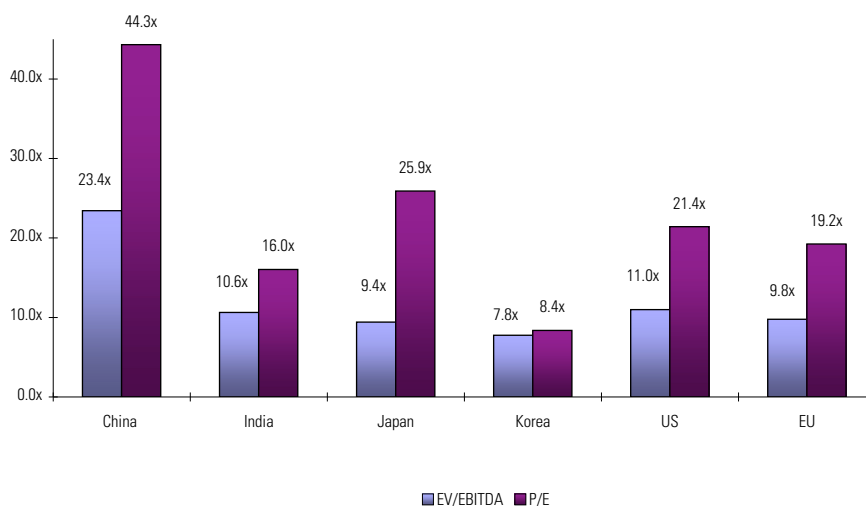
**BASF India**, a listed chemicals manufacturer and subsidiary of BASF AG, has agreed to acquire **Ciba India**, an Indian manufacturer and trader of specialty chemicals and a subsidiary of CIBA, for US\$71m. *September 14, 2009*

**Carboline Company**, a supplier of corrosion resistant products and a subsidiary of **RPM International Inc**, a listed US-based coating and sealant holding company, has acquired 80% of **CDC Carboline India**, CDC Carboline India, an affiliated Indian corrosion protection company, for an undisclosed consideration. *October 7, 2009*

**Honeywell**, the listed US-based technology and manufacturing company, plans to open a US\$34m technology center in Gurgaon. *November 19, 2009*

**Merck Specialities**, a wholly-owned unit of **Merck KGaA**, has acquired **Bangalore Genei Pvt Ltd**, an Indian biotech company from **Sanmar Speciality Chemicals Ltd**, a subsidiary of **The Sanmar Group**, a

Specialty Chemicals Trading Multiples for Selected Countries (11Dec09)



Source: ThomsonOne, BDA

chemicals-focused investment group for US\$9m. *October 14, 2009*

**Tata Chemicals**, a chemicals subsidiary of **Tata Group**, an Indian conglomerate, plans to raise its ownership stake in **Rallis India** from 46% to 50% for an undisclosed amount. *November 10, 2009*

## Japan

**Calgon Carbon**, a listed US-based manufacturer of carbon treatment systems, plans to acquire the remaining 51% of a carbon R&D JV with **Calgon Mitsubishi Chemical** from **Mitsubishi Chemical**, a Japanese chemicals company for an undisclosed amount. *December 9, 2009*

**Harima Chemicals**, a listed Japanese chemicals manufacturer, has agreed to

acquire the rosin modified resins business of **Hitachi Kasei Polymer**, a subsidiary of **Hitachi Chemical Ltd**, a listed Japanese manufacturer of electronics-related and chemical-related products for an undisclosed consideration. *September 15, 2009*

**Mitsubishi Chemical** plans to acquire **Mitsubishi Rayon**, a Japanese acrylic fiber maker for US\$2.5bn. *November 19, 2009*

**Nohara**, a Japanese manufacturer and distributor of construction materials, has agreed to acquire **Nitto Materials**, a Japanese materials and chemicals manufacturer from **Nitto Boseki** for US\$11m. Concurrently, **Nitto Boseki** will acquire 2% of **Nohara** for an undisclosed consideration. *October 27, 2009*

**Showa Denko KK**, a listed Japanese

chemicals company, has agreed to acquire the remaining 50% of **Showa Tansan**, a listed Japanese liquefied carbon dioxide and dry ice manufacturer for US\$57m. *September 29, 2009*

## Korea

**Aikang Remetech**, a listed Korean piping materials company, has agreed to acquire 94% of **Ilem Technology**, a

Korean manufacturer of polybutene for US\$22m. *September 11, 2009*

**Honam Petrochemical**, a listed Korean petrochemicals producer, has agreed to privatize its 52% owned chemicals subsidiary, **KP Chemicals**. *September 4, 2009*

**OCI Company**, a listed chemicals company, has acquired 12% of **Sodiff Advanced Materials**, a listed Korean

advanced materials manufacturer for US\$121m. *October 22, 2009*

## Malaysia

**Tradewinds Plantation**, a listed Malaysian plantation management company, has agreed to acquire **Mardec Bhd**, a Malaysian rubber and polymer company from **Semi Bayu Sdn Bhd**, a Malaysian investment holding company for US\$43m. *October 30, 2009*

Asian Specialty Chemicals Transactions with Multiples for Selected Countries (12 months ending in 9Dec09)

Announce Date	Target Name	Target Country	Acquirer Name	Acquirer Country	Deal Value	Acquisition Type	EV / EBITDA	EV / Revenue	P/E
19-Nov-09	Mitsubishi Rayon	Japan	Mitsubishi Chemical Hldgs	Japan	\$2,427.0	-	30.9x	1.6x	-
9-Nov-09	Rallis India	India	Tata Chemicals	India	\$19.0	7.6%	10.9x	1.5x	15.0x
22-Oct-09	Sodiff Advanced Materials Co	Korea	OCI	Korea	\$119.9	12.3%	13.5x	8.0x	28.3x
29-Sep-09	Showa Tansan	Japan	Showa Denko KK	Japan	\$56.9	-	-	0.3x	323.1x
15-Sep-09	Sinoma Science & Tech	China	Investor Group	China	\$183.7	-	22.2x	3.7x	45.6x
14-Sep-09	NE Chemcat	Japan	Investor Group	Japan	\$83.8	14.4%	6.3x	0.6x	23.4x
11-Sep-09	Changmao Biochemical	China	Changmao Biochemical	China	\$20.7	-	8.4x	1.8x	13.9x
7-Sep-09	Ciba India	India	BASF India	India	\$22.9	-	5.9x	0.5x	11.2x
12-Aug-09	Rallis India	India	Tata Chemicals	India	\$75.5	35.7%	10.4x	1.4x	14.1x
6-Aug-09	Alogics	Korea	Aminolux Inc	Korea	\$18.8	-	-	2.0x	-
1-Aug-09	Ningxia Dayuan Chemical	China	Shanghai Hongze Century Invest	China	\$81.8	25.4%	-	22.4x	-
24-Jul-09	Nufarm	Australia	Sinochem	China	\$2,472.5	-	-	1.6x	35.2x
22-Jul-09	Yips Chemical Holdings	HK	Yips Chemical Holdings	HK	\$30.1	-	6.0x	0.4x	10.4x
21-Jul-09	PetroAsian Energy Holdings	HK	PetroAsian Energy Holdings	HK	\$16.5	-	-	2.4x	17.6x
29-Jun-09	Tacmic SP	Japan	Te-a	Japan	\$61.8	100.0%	-	0.5x	5.1x
24-Jun-09	Middle East Dvlp Singapore	Singapore	Germir Group	Singapore	\$18.9	-	-	0.9x	-
25-May-09	Polatechno	Japan	Polatechno	Japan	\$36.3	23.9%	3.6x	0.5x	-
7-May-09	Sinofert Holdings	HK	Sinofert Holdings	HK	\$347.5	-	15.3x	0.7x	11.1x
7-May-09	Miyuki Holdings	Japan	Toyobo	Japan	\$66.7	60.4%	-	0.5x	-
12-Mar-09	Otsuka Chemical Holdings	Japan	Otsuka Holdings	Japan	\$536.7	38.3%	-	1.5x	36.3x
10-Mar-09	Gansu Yasheng Indl(Grp)	China	Gansu Agribusiness Group Co	China	\$169.1	-	37.5x	4.9x	82.7x
3-Mar-09	New Cosmos Electric	Japan	Iwatani	Japan	\$20.6	16.4%	-	0.2x	16.4x
26-Feb-09	Nanbu Plastic	Japan	-C Fund 14	Japan	\$65.5	97.2%	-	0.2x	34.1x
16-Feb-09	First Fire & Marine Ins	Korea	Hanwha	Korea	\$87.9	24.6%	-	0.4x	-
4-Feb-09	Titan Chemicals	Malaysia	Titan Chemicals	Malaysia	\$34.0	-	3.3x	0.4x	3.0x

Source: ThomsonOne, BDA

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.

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Euan Rellie  
Senior Managing Director  
[erellie@bdallc.com](mailto:erellie@bdallc.com)

Marc Liu, Analyst  
[mliu@bdallc.com](mailto:mliu@bdallc.com)

Alexander Ditchfield, Analyst  
[aditchfield@bdallc.com](mailto:aditchfield@bdallc.com)

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[www.bdallc.com](http://www.bdallc.com)  
[newsletter@bdallc.com](mailto:newsletter@bdallc.com)

#### NEW YORK

Euan Rellie, [erellie@bdallc.com](mailto:erellie@bdallc.com)  
Charles Maynard, [cmaynard@bdallc.com](mailto:cmaynard@bdallc.com)  
Business Development Asia LLC  
The Economist Building, 11th Floor  
111 West 57th St, New York, NY 10019  
T (212) 265-5300  
F (212) 265-4300

#### BAHRAIN

Andrew Huntley, [ahuntley@bdallc.com](mailto:ahuntley@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, [pdigiacomobdallc.com](mailto:pdigiacomobdallc.com)  
Business Development Asia (HK)  
#1206 Lippo Centre, Tower 1  
89 Queensway, Hong Kong  
T (852) 2537-9565  
F (852) 2537-4406

#### SEOUL

Heejun Yang, [hyang@bdallc.com](mailto: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](mailto:ahuntley@bdallc.com)  
Business Development Asia Ltd  
33 Cavendish Square  
London W1G 0PW, United Kingdom  
T (44) 2071824518  
F (44) 2071824100

#### MUMBAI

Rohit Singh, [rsingh@bdallc.com](mailto:rsingh@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](mailto: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](mailto: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