

ASIAN TECHNOLOGY NEWSLETTER

JUNE 2010, ISSUE 63

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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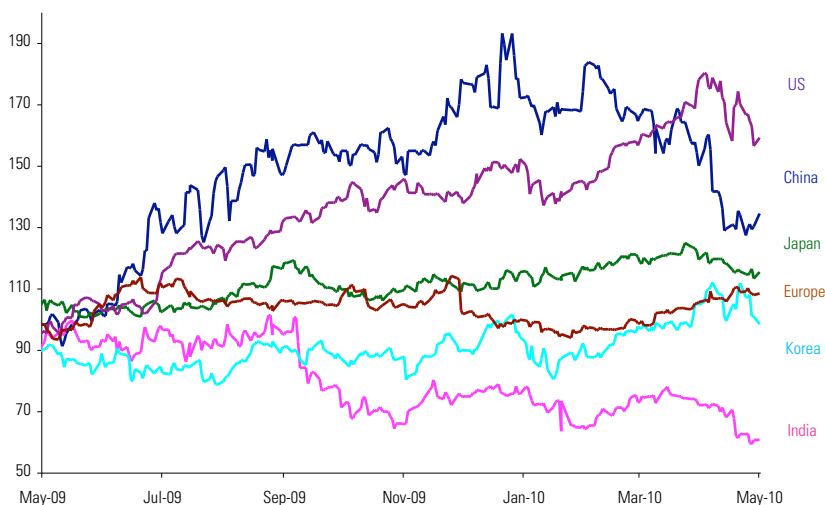
China

Guomai Technologies, a Chinese telecoms outsourcing company, has acquired 49% of **GammaCom Communicate Scheme Design**, a Chinese provider of telecoms design and consulting services, for US\$22m. *April 13, 2010*

Huiheng Medical, a Chinese cancer treatment equipment company, has entered into an agreement to acquire **Portola Medical**, a US-based medical equipment company that focuses on breast brachytherapy systems. *June 2, 2010*

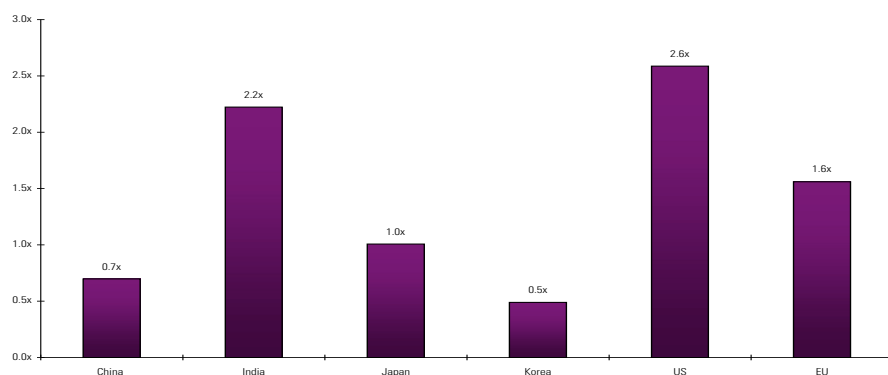
An investor group comprising of **Magic Galaxy**, **Ampio Investments**, and **Max Achieve**, plans to acquire 7% of **Palmpay China**, a provider of application management and support services for

Technology Stock Indices for Selected Countries (12 months ending 15May10)



Source: ThomsonOne, BDA

Technology Price/Revenue Multiples for Selected Countries (5Jun10)



Source: ThomsonOne, BDA

hosted enterprise software, for US\$27m. On completion, Magic Galaxy Ltd, Ampio Investments and Max Achieve will own 8.8%, 3.4% and 2.9%, respectively. The transaction will allow Palmpay China to strengthen its financial position for any future business development of payment gateway services and other related investments. [March 23, 2010](#)

Teamsun Technology, a Hong Kong-based IT service provider and a wholly-owned unit of **Beijing Teamsun Technology**, plans to acquire **MDCL-Frontline Solutions**, a Chinese provider of IT services, for US\$10m. [April 15, 2010](#)

Tencent Holdings, a Hong Kong ISP provider, has acquired 40% of **Shenzhen Domain Network Software**, a Chinese developer of online game software, for US\$23m. This buy-out will strengthen Tencent's ability to research and develop games independently, and to compete with **Shanda**, a leading interactive

entertainment media company in China. [February 11, 2010](#)

Telstra Corp, an Australian mobile service provider, has acquired an undisclosed majority of **Dotad Media Holdings**, a Chinese provider of mobile-phone advertising services, for US\$100m. [May 12, 2010](#)

Hong Kong

Guangdong Rising Nonferrous Metals Group Co, a Chinese state-owned metals group, plans to acquire 23.3% of **China Solar Energy Holdings**, a Hong Kong-based manufacturer of photovoltaic films, for US\$39m. [May 26, 2010](#)

Kosalaki Investments will acquire an additional 9.8% of **Digital China Holdings Ltd**, a developer and distributor of networking products, from **Right Lane Ltd**, for US\$134m. This transaction raises

Kosalaki Investments' stake to 18.56%. [May 19, 2010](#)

India

Bharti Airtel, an Indian telecoms company, plans to acquire a majority stake in the African operations of Kuwait's **Zain** for US\$10.7bn in order to expand its global footprint and enter the fast growing African telecoms market. [March 31, 2010](#)

CBay Holdings, an Indian provider of technology enabled clinical documentation and related healthcare revenue cycle solutions, has acquired the Indian and US units of bankrupted document technology company, **Spheris Holdings**, for US\$116m. This will enhance CBay's back-end service delivery platforms to support the business expansion. [April 19, 2010](#)

Cybernet-SlashSupport Corp, an Indian remote infrastructure management and technology support services company, has acquired two US companies: **Glow Networks**, a telecoms services company, and **InteQ's** remote infrastructure management services business unit. [May 12, 2010](#)

Gemini Communication, an Indian communication and network solution provider, has acquired **Rosy Blue Wireless Africa**, an African telecoms and ISP company, from diamond jewelry company, **Rosy Blue Group**, for US\$20m. [May 7, 2010](#)

Glodyne Technoserve, an Indian

technology services firm, plans to acquire **DecisionOne Corp**, a US technology infrastructure management services company, for US\$104m. The acquisition will strengthen Goldyne’s global reach with a robust onsite-remote IMS delivery model. *May 12, 2010*

Mphasis Ltd, an Indian applications and business process outsourcing company, has acquired **Fortify Infrastructure Services**, a US offshore remote IT operations and management services company, for US\$15m. *April 8, 2010*

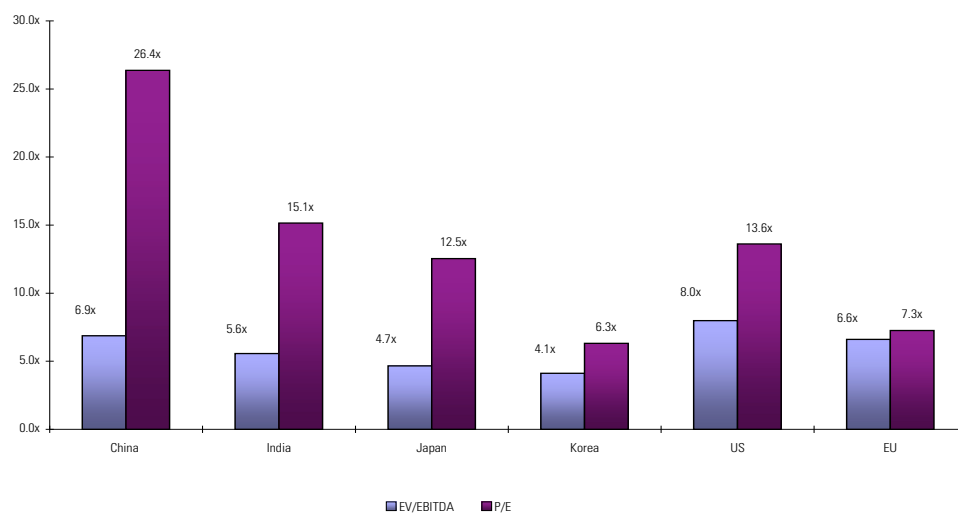
Polaris Software Lab, a listed Indian financial technology company, has acquired **IndigoTX**, a Software-as-a-Service (“SaaS”) company that provides *Go Tx*, an enterprise brokerage solution for the securities market. The transaction will allow Polaris to enter the enterprise capital markets brokerage space. *March 26, 2010*

Prism Informatics, an Indian software development and IT consulting firm, plans to acquire 51% of US-based **TLC Technologies**, a business intelligence technology service provider. *May 5, 2010*

Rolta India, an IT solutions provider, plans to acquire **One GIS**, a US-based consulting, development and systems integration company focusing on geospatial and IT solutions. OneGIS will expand Rolta’s current geospatial fusion service offerings by adding consulting and domain experience in utilities and telecoms. *April 12, 2010*

QTIL-WTTIL, an Indian telecoms towers

Technology Trading Multiples for Selected Countries (5Jun10)



Source: ThomsonOne, BDA

company, plans to acquire its smaller rival **21st Century Infra Tele Ltd**, a unit of telecoms company, **Tata Teleservices Maharashtra Ltd**, for \$290m. *March 17, 2010*

Indonesia

Indosat, an Indonesia provider of telecoms services and a majority owned unit of **Qatar Telecoms**, was rumored to be seeking a buyer for its telecoms towers. **Telekomunikasi Indonesia** and **Saratoga Capital** were rumored potential buyers. *May 11, 2010*

Singapore Telecoms (“SingTel”), a majority owned unit of Singapore’s government investment company, **Temasek Holdings**, was rumored to be planning to acquire **Dayamitra Telekomunikasi**, an Indonesian provider of telecoms services. *February 22, 2010*

Telemedia Pacific Communications, a Hong Kong-based communications subsidiary of Singapore textile company **Ban Joo & Co**, has acquire **Multi Skies Nusantra**, an Indonesian building operating and leasing base station for telecoms services, for US\$22m. *April 1, 2010*

Yahoo, a US listed internet company, has acquired **KOPROL**, an Indonesian internet social network. *May 25, 2010*

Japan

Canon Electronics, a Japanese electronics company, is acquiring 38% of **E-System Corp**, a Japanese software and CRM system developer, for US\$20m. *February 24, 2010*

Computer Engineering & Consulting (“CEC”), a Japanese provider of

software development and information system services, plans to acquire the environmental solution business of **Nippon Oil IT Corp**, a JV between **Nippon Oil Corp** and **Fujitsu**. *March 30, 2010*

Dai Nippon Printing, a listed Japanese printing company, has raised its ownership to 51% from less than 1% in **Intelligent Wave**, a developer of credit card settlement system software, for US\$21m. This transaction will allow the two companies to expand their technology security business for credit card companies, financial institutions and banks. *February 10, 2010*

GEO Corp, a Japanese company engaged in providing media technology, entertainment, and real estate services, has agreed to acquire **EISYS**, a Japanese operator of internet shops and various information processing business, from EISYS' parent company, **LDH Corp**, for US\$20m. The transaction will allow EISYS to expand its existing business, and GEO Corp to take advantage of the technology to expand its contents business. *April 12, 2010*

Index Holdings, a distributor of content for Internet-connected mobile phones and portable handheld devices, has acquired the remaining 38% of **Atlas Co**, a Japanese developer and wholesaler of video game software, for US\$27m. *February 12, 2010*

NHN Corp, a Japanese internet content service operator, has acquired 99% of **Livedoor Co**, a Japanese provider of portal site and data center services, for

US\$68m. This transaction will boost NHN's presence in the Japanese internet space. *April 12, 2010*

Olympus Corp, a Japanese manufacturer of optics and imaging products, plans to acquire 80% of **ITX Corp's** telecoms service & solution business, for US\$47m. *May 11, 2010*

Softbank Corp, a Japanese telecoms and media company, **Advantage Partners**, a private equity firm, and **Enterprise Turnaround Initiative Corp** ("ETIC"), a Japanese government-backed company, will help the mobile phone carrier, **Willcom**, which is majority owned by the **Carlyle Group**, regroup out of bankruptcy protection in Japan. Willcom will spin off its advanced, high-speed mobile service into a new company, separating it from its existing services. Softbank and Advantage Partners will invest US\$33m and US\$55m, respectively, while ETIC will offer a credit line to Willcom of US\$130m. *March 12, 2010*

Unison Capital, a private equity firm, is raising its stake to a majority by acquiring a further 46% of **UCOM Corp**, a Japanese provider of internet services, for US\$63m. This transaction will improve UCom's financial structure and infuse cash for pursuing new growth opportunities. *April 7, 2010*

Korea

Bokwangsa, a Korean cell phone painting provider, has acquired 16% of **Cyberdigm Co**, a Korean internet system solutions provider, for US\$10m. *February 18, 2010*

Morningstar Alliance, a financial information services company, has acquired 28% of **SCD Co**, a Korean manufacturer of cellular handsets and provider of software solutions, for US\$44m. *March 12, 2010*

NCsoft Corp, a Korean online gaming software developer, has acquired 65% of **Nextplay Co**, a Korean online role playing game company. *May 11, 2010*

PREGM, a Korean distributor of DVDs, plans to merge with **SKYON Co**, a Korean provider of wireless telecoms services, in exchange for 16.5m PREGM new shares valued at US\$23m. PREGM expects the transaction to diversify the business and improve profitability by enhancing its business efficiency. *April 26, 2010*

Webzen, a computer games developer and publisher, has agreed to merge with **NHN Games**, a Korean online gaming software developer, for US\$214m. Webzen expects this transaction to improve its capability to develop games and expand online gaming services. *April 15, 2010*

Malaysia

Asialink Technology Development, a Hong Kong-based IT consultant and a 55% owned subsidiary of Malaysian IT company, **FSBM Holdings**, has acquired **Unos**, a Malaysian software development company, for US\$14m. *April 2, 2010*

SK Telecom, a Korean mobile telecoms operator, plans to acquire 25.8% of **Packet One Networks**, a Malaysian

provider of wireless broadband services, for US\$100m. *May 27, 2010*

Philippines

San Miguel Corp, a Philippines food, beverage and packaging company, is planning to acquire **Eastern Telecoms**, a Philippines telecoms services provider, from majority owned telecoms holding company **ISM Communications Corp**. San Miguel has been actively diversifying its portfolio away from food and beverage and is exploring high growth sectors like power, infrastructure, telecoms and mining. The acquisition would complement the internet broadband

service offered by one of San Miguel subsidiaries, **Liberty Telecoms Holdings**. *March 17, 2010*

Singapore

Inovisi Infracom, an Indonesian provider of infrastructure, managed solutions and services to the telecoms industry, is acquiring **Code Wireless**, a Singaporean mobile application services provider, **Abamon Technology**, a Malaysian IT services and solution provider, and **Smart Checker**, a British Virgin Islands security and technology management company, for US\$10m. *April 22, 2010*

KIT Digital, a US provider of on-demand

Internet Protocol (“IP”) video asset management solutions, plans to acquire **Benchmark Broadcast Systems**, a Singaporean provider of IP-based video solutions, for US\$11m. This transaction will strengthen KIT Digital’s existing operations and expand its presence in foreign markets. *May 17, 2010*

Vietnam

CMC Corp, a listed Vietnamese telecoms and IT service provider, has raised its ownership to 44% from an undisclosed minority stake, in **NetNam Corp**, a Vietnamese internet services provider. *March 31, 2010*

Selected Asian Technology Transactions with Multiples (12 months ending 19May10)

Announce Date	Target Name	Target Country	Acquirer Name	Acquirer Country	Deal Value	Acquisition Type	EV / EBITDA	EV / Revenue	P/E
19-May-10	Digital China Holdings Ltd	HK	Kosalaki Investments Ltd	HK	\$134.7	-	12.7x	0.2x	13.2x
19-Apr-10	Mototech Inc	Taiwan	Accton Technology Corp	Taiwan	\$13.2	-	80.6x	0.8x	16.8x
24-Mar-10	Global Brands Manufacture Ltd	Taiwan	HannStar Board Corp	Taiwan	\$149.0	40.7%	6.5x	0.5x	14.3x
20-Mar-10	Yosun Industrial Corp	Taiwan	WPG Holding Co Ltd	Taiwan	\$559.5	-	11.9x	0.2x	21.5x
11-Mar-10	TrendChip Technologies Corp	Taiwan	Ralink Technology Corp	Taiwan	\$169.8	-	18.0x	2.0x	27.9x
18-Feb-10	Cyberdigm Co Ltd	Korea	Bokwang T&C Co Ltd	Korea	\$10.5	15.9%	85.6x	8.2x	116.7x
10-Feb-10	Intelligent Wave Inc	Japan	DNP	Japan	\$38.7	50.6%	18.1x	1.1x	33.6x
4-Feb-10	Cogo Group Inc	China	Cogo Group Inc	China	\$33.3	-	9.3x	0.5x	29.5x
29-Jan-10	TPV Technology	HK	Investor Group	Japan	\$290.9	-	12.4x	0.2x	25.8x
29-Jan-10	TPV Technology	HK	Investor Group	HK	\$895.2	-	12.4x	0.2x	25.8x
26-Jan-10	Canon Software Inc	Japan	Canon Marketing Japan	Japan	\$61.9	-	4.6x	0.3x	16.6x
11-Jan-10	Galaxy Far East Corp	Taiwan	Macnica Chungju	Taiwan	\$40.6	-	7.6x	0.3x	17.5x
22-Dec-09	Capcom	Japan	Capcom	Japan	\$23.7	2.5%	3.6x	0.8x	10.7x
22-Dec-09	Centrin Online Tbk PT	Indonesia	Teledata(Singapore)	Singapore	\$12.2	-	31.3x	1.7x	164.8x
14-Dec-09	STARLIMS Technologies	Israel	Abbott Laboratories	US	\$118.1	-	15.4x	3.0x	20.9x
14-Dec-09	Catena Corp	Japan	SystemPro	Japan	\$43.5	-	4.1x	0.2x	9.7x
11-Dec-09	Unity Opto Technology	Taiwan	HannStar Display Corp	Taiwan	\$37.5	-	12.1x	2.4x	22.9x
9-Dec-09	Achieva	Singapore	SUTL Global Pte	Singapore	\$10.9	23.4%	9.7x	0.1x	-
9-Dec-09	Motech Industries Inc	Taiwan	Taiwan Semiconductor Mfg	Taiwan	\$193.1	20.0%	21.8x	1.6x	142.3x
7-Dec-09	Intl Semiconductor Tech	Taiwan	Chipbond Technology Corp	Taiwan	\$190.9	-	14.9x	2.3x	-
17-Nov-09	Universal Scientific	Taiwan	Investor Group	Taiwan	\$419.4	59.5%	5.7x	0.4x	50.9x
17-Nov-09	City Telecom(HK)	HK	City Telecom(HK)	HK	\$26.9	-	3.8x	1.4x	9.8x
17-Nov-09	Universal Scientific	Taiwan	Investor Grp	Taiwan	\$576.7	-	5.7x	0.4x	50.9x
10-Nov-09	Sorun Corp	Japan	IT Holdings Corp	Japan	\$229.3	-	4.4x	0.3x	14.2x
30-Oct-09	Cyntec Co	Taiwan	Delta Electronics Inc	Taiwan	\$335.4	-	13.9x	3.7x	17.7x
30-Oct-09	BancTec Japan Inc	Japan	BT Holdings	Japan	\$110.7	-	7.2x	0.7x	20.2x
12-Oct-09	Valor Computerized	Israel	Mentor Graphics Corp	US	\$82.0	-	10.6x	1.4x	214.4x
5-Oct-09	TPO Displays Corp	Taiwan	Innolux Display Corp	Taiwan	\$668.5	-	6.5x	1.0x	-
18-Aug-09	Skyworth Digital	HK	Skyworth Digital	HK	\$81.6	-	10.9x	0.4x	14.8x
22-May-09	Elec & Eltek Intl	Singapore	Kingboard Chemical	HK	\$121.7	-	6.6x	1.2x	13.5x
				Mean	\$186.4	30.4%	15.6x	1.2x	42.1x

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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