

# 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

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## Australia

**Fujitsu** of Japan will acquire the SAP business of Sydney-based **Supply Chain Consulting** for US\$34m. This follows Foreign Investment Review Board approval of Fujitsu’s US\$143m acquisition of **KAZ**, an IT services company, from **Telstra**, the Australian telecoms provider, in March 2009. Supply Chain Consulting will be split in two: its core SAP-business in Australia, Thailand and The Philippines will be acquired by Fujitsu and its carbon emission tracking software business, **Viewlocity**, will be spun off into a new entity. Fujitsu will take on 400 SAP specialists as part of the acquisition.

April 27, 2009

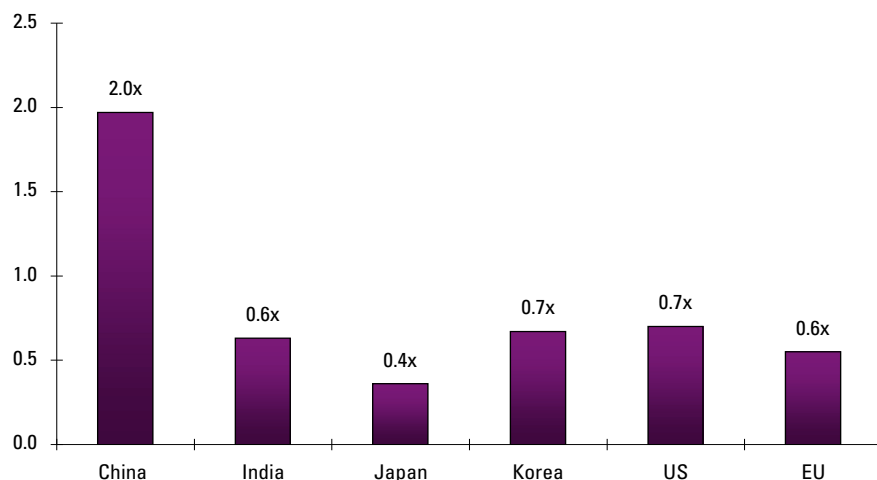
**Aegis BPO**, business process outsourcing arm of **Essar Group**, has acquired

Technology Stock Indices (12 months ending 23Jun09)



Source: Bloomberg, BDA

Technology P/R Multiples for Selected Countries (23Jun09)



Source: Bloomberg, BDA

Australian firm **UCMS Group Ltd.** The BPO firm has been acquired for an aggregate equity valuation of US\$40.7m. The deal involves Aegis paying UCMS stockholders US\$.77 per share in cash through **Aegis BPO Services Australia Pty Ltd.** The share price represents a premium of 133% over closing price of UCMS on May 14, 2009. *May 15, 2009*

## China

**Beijing Teamsun Technology Co.**, a Chinese IT service provider, plans to acquire 68.4% of **Automated Systems Holdings Ltd.**, an IT service provider in Hong Kong, for US\$34m. The acquisition will enable Teamsun Technology to escalate its software and IT service, integrate its resources in the industrial chain, and expand its presence to the SE Asian market. *May 8, 2009*

**China Broadband Inc** completed the acquisition of **AdNet China Broadband Inc.**, a provider of cable broadband services and publisher of digital and analog program guides in Shandong. Through its wholly owned subsidiary, **China Broadband Ltd.** China Broadband Inc also acquired **AdNet Media Technologies Co.**, a Beijing-based company delivering multimedia advertising content to internet cafes in China. *April 7, 2009*

**China Mobile Ltd** will acquire 12% of Taiwan-based mobile telecom operator **Far EastTone Telecoms Co** for US\$527m. The two companies have synergies in procurement, roaming, data & value added services, networks, and technologies. *April 30, 2009*

**ChinaTel Group**, a Chinese telecoms engineering and construction services provider, will acquire 49% of **Chinacomm**

**Ltd** for US\$196m. This acquisition will strengthen current alliances between ChinaTel and wireless technology provider **CECT-ChinaComm Communications.**

*March 9, 2009*

**iSoftStone Information Service Corp.**, a Chinese leading provider of consulting, IT outsourcing and business process outsourcing, has agreed to acquire **Shenzhen Sidaronghe Co.**, a Chinese IT services provider, and the Services & Outsourcing unit of **MDCL-Frontline (MDCL)** in separate transactions. The two additions will help iSoftStone expand its client coverage team in the Greater China region including Hong Kong and Taiwan, and further strengthen delivery capabilities for global MNC clients. Sidaronghe provides application development and testing services, with particular knowledge in the telecom equipment sector. *March 12, 2009*

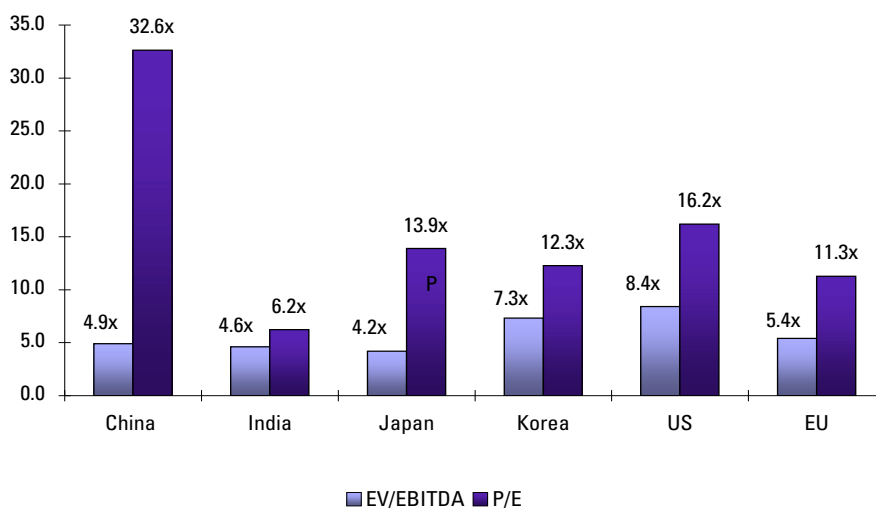
**Kingdee International Software**, a Hong Kong software company, has acquired **Guangzhou Qisheng Electronics Technology**, a provider of software management and consulting services for clothing companies. Guangzhou-headquartered Qisheng Electronics Technology mainly provides management software and consulting services for clothing companies. *April 9, 2009*

**Qiao Xing Universal Telephone**, a manufacturer and distributor of telecoms products in China, has completed the acquisition of **China Luxuriance Jade.** The company paid US\$110m, of which US\$30m was cash and has issued 40,000,000 restricted shares of its

common stock valued at US\$2 per share to Wu Rui Lin, the former sole shareholder of China Luxuriance and the chairman of **XING**. *April 7, 2009*

The Board of **United Microelectronics Corp (UMC)**, a Taiwan-based semiconductor company, has approved the acquisition of **Hejian Technology (Suzhou) Co**, a Chinese semiconductor foundry company. UMC will acquire an 85% stake in Hejian Technology for an aggregate consideration of US\$285m in cash or an equivalent value of UMC common stock or American Depositary Shares. UMC already holds a 15% stake in Hejian Technology. *April 29, 2009*

Technology Trading Multiples for Selected Countries (23Jun09)



Source: Bloomberg, BDA

## India

**Acme Group**, a Bangladesh Telecom power solutions firm, has made an investment of US\$30m for a 5% stake in US company, **eSolar** a developer of modular, scalable solar thermal power plants. Acme Group will have exclusive rights to eSolar's design to set up thermal solar power plants in India. *March 4, 2009*

Indian telecom major **Bharti Airtel** has informed the Exchanges that it is in talks to pick up a stake in **MTN**, Africa's largest mobile group. Bharti has said that it is "exploring a transaction" where it would acquire a 49% share holding in MTN and, in turn, MTN and its shareholders would acquire a 36% economic interest in Bharti, of which 25% would be held by MTN with the remainder held directly by MTN shareholders. *May 25, 2009*

**Digi International Inc**, a US satellite transceiver manufacturer, acquired substantially all the assets of the US, Indian and Singapore affiliates of **MobiApps Holdings Pte Ltd**, a Singapore manufacturer of hybrid terrestrial and satellite technologies, for US\$3m. *June 12, 2009*

**Geodesic Ltd**, an Indian mobile and desktop communication systems provider has acquired South America-based **Interactive Networks Inc Interactive**, which will now become a wholly-owned subsidiary of Geodesic, a software provider of advanced instant messaging and value added solutions. The deal will help Mumbai-based Geodesic expand its presence in South America and Africa. *May 19, 2009*

Mahendra Nahata of **Himachal Futuristic**

**Communications** has agreed to sell his 36% stake in **Datacom** to owners of **Videocon** for US\$250m. Datacom is a JV between Videocon Group and Mahendra Nahata. The deal will allow the Dhoot family, which owns the remaining 64% stake in the company, to bring in a strategic partner to fund the company's pan-India rollout plans. The deal will also involve **HFCL Infotel's** telecom operations in Punjab being merged with Datacom with its over US\$80m debt transferring on to the books of Datacom. *March 19, 2009*

Japanese telecom firm **NTT DoCoMo** has acquired a 12.12% stake in **Tata Teleservices Maharashtra Ltd (TTML)** for US\$110m through an open offer. TTML is 37.5% owned by **Tata Teleservices Ltd (TTSL)**. The open offer which was made jointly with **Tata Sons** for 20.25% stake

in public listed TTML ended on March 12.  
*April 1, 2009*

The Russian government is buying a 20% stake in **Shyam-Sistema** telecom JV for US\$680m through the issuance of additional shares. Shyam-Sistema was among the nine firms that got telecom license in 2008 and offers mobile services under the 'Rainbow' brand in Rajasthan. The deal is part of India's debt settlement scheme with Russia. India owes US\$1bn to Russia for products bought prior to Soviet Union's collapse. Russian government or companies can utilize this to finance its investments and JV projects in India. *March 19, 2009*

Non-Resident Indian businessman C Sivasankaran is in talks to buy the stake of one of the private equity promoters who hold a 51% stake in **STel**, a Chennai-based company holding license in six states. Sivasankaran sold his stake in **Aircel** for US\$1.1bn to **Maxis Telecom** in 2005. Earlier this year, S Tel sold a 49% stake to Gulf-based **Bahrain Telecoms** and **Millennium Private Equity** for US\$225m. Subroto Roy's **Sahara Group**, an Indian conglomerate has acquired an 11.7% stake in STel. The transaction is through to be valued at US\$52m. *May 2, 2009*

**Tech Mahindra**, an Indian global systems integrator and business transformation consulting firm acquired a 31% stake in **Satyam Computers**, an Indian consulting and IT services company. Tech Mahindra will acquire the stake in an all-cash deal, which represents a 23% premium on Satyam's last closing price. This will be followed by an open offer for a 20%

stake to take management control of the company. Tech Mahindra will have to pay US\$365m for a fresh issue of a preference stake of 31% stake that will take Satyam's market cap to US\$1.2bn on the expanded equity. To acquire the entire 51% stake that includes the mandatory open offer for a 20% stake, Tech Mahindra will have to pay a total of US\$603m. *April 13, 2009*

**Ybrant Digital**, an Indian digital marketing solutions provider, has acquired Argentine ad network **Dream Ad** for an undisclosed amount. Ybrant Digital has revenues of US\$55m in 2008. Besides Argentina, this acquisition gives Ybrant presence in three other countries where Dream Ad operates in - Chile, Uruguay and Mexico. Ybrant will continue with the 'Dream Ads' brand name and will highlight it as 'AYbrant Digital Network'. *May 5, 2009*

## Japan

**Elpida Memory Inc**, a Japanese global supplier of Dynamic Random Access Memory, has acquired the stake its strategic partner **Powerchip Semiconductor Corp** owns in **Rexchip Electronics Corp**, a Taiwan-based manufacturing JV created by PSC and Elpida, rising its holding in Rexchip to 52%. Rexchip is now a consolidated subsidiary of Elpida. Financial terms of the transaction were not disclosed. *March 16, 2009*

**Nakaya Microdevices Corp**, a Japanese semiconductor manufacturer, US semiconductor manufacturer **Amkor**

**Technology** and **Toshiba Corp** of Japan, have signed a non-binding MoU expressing their intent to form a JV in Japan that will provide system LSI assembly and testing services. The structure, terms and amounts of each party's contributions and other support for the JV have not yet been determined. The commencement of JV operations is targeted for October 1, 2009 but is subject to the negotiation of definitive agreements, due diligence and the receipt of any necessary government approval. *April 28, 2009*

**Renesas Technology Corp**, a Japanese semiconductor manufacturer and **NEC Electronics**, a Japanese multinational IT company and semiconductor producer, will merge and create the world's number 3 semiconductor company with combined revenues of \$14bn. The deal was pushed by the Japanese government which has been urging consolidation of the Japanese semiconductor. *April 23, 2009*

**Toshiba Corp** of Japan will acquire 52% of **Nuclear Fuel Industries** ("NFI"), a Japanese manufacturer of nuclear fuel, through its subsidiary **Westinghouse Electric Co LLC**, a fuel, service, and technology provider of in the nuclear industry. NFI has revenues of US\$200m and is a JV between **Furukawa Electric Co** and **Sumitomo Electric Industries Ltd**. Toshiba will purchase 52% of NFI from Furukawa and Sumitomo, leaving these companies with a share of 24% each in NFI. *March 13, 2009*

**Trend Micro Inc**, a Japanese provider of network antivirus and internet content

security software and services, has agreed to acquire **Third Brigade Inc**, a Canadian security and compliance software company. The financial terms of the transaction were not disclosed. Third Brigade raised funding from **BDC Venture Capital, Celtic House Venture Partners Inc**, and **Summerhill Venture Partners**. *April 29, 2009*

## Korea

**eBay** will acquire **Gmarket Inc**, a Korean retail e-commerce marketplace, for US\$1.2bn, expanding its presence in Korea, the world's sixth largest e-commerce market. eBay plans to combine Gmarket with **Internet Auction Co**, a Korean online marketplace that eBay acquired in 2001. *April 23, 2009*  
A fund led by Korea's **KTB Securities Co**

has acquired **MagnaChip Semiconductor Ltd**, a Korean chip maker, for US\$80m. MagnaChip, a spin-off of **Hynix Semiconductor Inc**, also filed for Chapter 11 bankruptcy protection in the US. *June 12, 2009*

**LS Industrial Systems Co**, a Korean electric power equipment maker, and German semiconductor company **Infineon Technologies AG** have formed a JV called **LS Power Semitech Co** to make molded power modules for use in white goods. Infineon is transferring back-end manufacturing equipment from Germany to Korea as part of the deal. LS Industrial Systems holds 54% of the JV and Infineon holds 46%. LS Industrial is based in the city of Cheonan, 160km south of Seoul. *June 9, 2009*

## Taiwan

**Prime View International**, a Taiwanese display manufacturer, has agreed to acquire **E-Ink**, a US-based display technology producer, for US\$215m. PVI already owns other electronic ink components, including the chips and transistor backplanes. *June 1, 2009*

*To submit stories to future editions of this newsletter, please contact Mr. Marc Liu in New York on 212-265-5300 or e-mail [mliu@bdallc.com](mailto:mliu@bdallc.com).*

**Selected Asian Technology Transactions with Multiples** (12 months ending in 23Jun09)

Announce Date	Target Name	Target Country	Acquirer Name	Acquirer Country	Deal Value	Acquisition Type	EV / EBITDA	EV / Revenue	P/E
21-May-09	Fujitsu Business Systems	JP	Fujitsu	JP	\$228.0	47% ACQ	10.6x	0.3x	27.6x
7-May-09	Automated Systems	HK	Teamsun Technology	HK	\$13.0	68% ACQ	0.8x	0.1x	5.1x
12-Feb-09	D3	JP	Namco Bandai	JP	\$63.0	100% ACQ	5.5x	0.4x	5.0x
9-Jan-09	Siemens Info Systems	IN	Siemens Corp Finance	IN	\$93.0	100% ACQ	-	0.4x	-
18-Nov-08	Tecmo Ltd	JP	Koei Co, Ltd.	JP	\$85.0	Merger	4.3x	0.8x	23.8x
29-Oct-08	ACCA Networks Co Ltd	JP	eAccess Limited	JP	\$99.0	54.9% ACQ	5.5x	0.6x	11.6x
24-Sep-08	FXOnline Japan Co Ltd	JP	IG Group Holdings Plc	UK	\$206.0	87.5% ACQ	-	3.4x	8.3x
22-Sep-08	VADS BHD	Malaysia	Telekom Malaysia BHD	Malaysia	\$107.6	36.7% ACQ	11.3x	1.8x	18.2x
9-Sep-08	Daiwabo Information System	JP	Daiwabo Co Ltd	JP	\$363.9	75.9% ACQ	9.3x	0.1x	22.7x
25-Aug-08	Singapore Computer Systems	SI	Singapore Telecommunications	SI	\$164.4	60.1% ACQ	4.8x	0.5x	10.9x
31-Mar-08	QISDA Corp	TW	AU Optronics Corp	TW	\$65.8	60.0% JV	-	-	1.9x
31-Mar-08	QISDA Corp	TW	China Development Financial	TW	\$98.8	-	-	0.3x	1.9x
6-Mar-08	Sumco Techxiv Corp	JP	Sumco Corp	JP	\$390.8	49.0% ACQ	3.8x	1.2x	6.1x
3-Mar-08	E-Ten Information Systems Co	TW	Acer Inc	TW	\$226.0	Merger	11.6x	2.4x	14.5x
18-Feb-08	Jade Technologies HLDGS Ltd	SI	Asia Pacific Links Ltd	SI	\$81.7	46.5% ACQ	93.8x	6.2x	-
1-Feb-08	NISCA Corp	JP	Canon Finetech Inc	JP	\$91.2	49.0% ACQ	4.8x	0.3x	20.7x

Source: Bloomberg, 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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