

BDA advises on sale of majority stakes in ENCO and TSM to KDB Daewoo Securities

Written by Australian Business

(PRLEAP.COM) March 15, 2014 - Business Development Asia ("BDA") is pleased to announce that its clients, ENCO Co Ltd ("ENCO") and TSM Co Ltd ("TSM"), have both sold majority stakes to KDB Daewoo Securities. ENCO and TSM are the leading Korean urban mining companies, sourcing and recycling indium and gallium from industrial waste streams. KDB Daewoo Securities is Korea's leading full-service investment banking firm. Terms of the transaction were not disclosed.

BDA acted as the exclusive financial advisor to ENCO and TSM. BDA managed a global sale process for the businesses, and attracted significant interest from a range of potential Western and Asian acquirors. BDA has built a strong practice in the Asian technology and electronic materials and chemicals sectors, working for corporates and financial sponsors. KDB Daewoo Securities has developed a waste management investment thesis, and liked the strong growth potential of these businesses.

Indium tin oxide ("ITO") is one of the most widely-used conducting oxides because of its electrical conductivity and optical transparency, as well as the ease with which it can be deposited as a thin film. Thin ITO films are typically deposited on surfaces by physical vapor deposition, by electron beam evaporation or sputter deposition techniques. ITO is used to make transparent conductive coatings for displays such as LCDs, flat panel displays, plasma displays, touch panels, and electronic inks. ITO thin films are also used in OLEDs, solar cells, antistatic coatings and EMI shieldings. ENCO and TSM source ITO waste streams from the leading Korean electronics manufacturers, then produce indium ingots from the waste, and supply the indium back to global electronics manufacturers. During the etching process, ITO is washed out and wasted. ENCO and TSM recycle this waste, to produce high purity ITO which can be used again in the coating process. ITO is also used as an electrode material in LCD manufacturing.

The display industry is striving to develop more sustainable and environmentally friendly business models. Demand for rare earth materials, including indium and gallium, has grown for applications in LCDs, OLEDs and consumer electronics. ENCO and TSM have collaborated with Korea's world-leading display companies, to develop state-of-art recycling technologies.

Heejun Yang, Managing Director at BDA in Seoul said, "It was a great pleasure working on this transaction. ENCO and TSM are positioned for further success given their robust relationships with the world's largest LCD and OLED manufacturers, and their proven refining technologies. We expect the applications for these products and services to continue to broaden. We're pleased to have worked for such innovative clients".

BDA Deal Team

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Heejun Yang, Managing Director Eric Son, Assistant Director Steve Oh, Associate Jared Grestoni, Analyst **About ENCO and TSM** Established in 2006 and 2009, respectively, ENCO and TSM have rapidly grown to become Korea's leading recyclers of indium and gallium, which are rare earth elements, used as key raw materials for liquid crystal displays (LCD), organic light emitting diodes (OLED), solar cells, and other applications. TSM and ENCO are located near the Gumi Industrial Complex in Korea. They provide high-purity indium and gallium products to some of the world's largest LCD/OLED manufacturers.

About KDB Daewoo Securities Founded in 1970, KDB Daewoo Securities is a leading investment banking and brokerage firm offering a wide range of financial services in South Korea and internationally. The company's services include securities trading and brokerage, underwriting, asset management, and international corporate finance, as well as investment banking and wealth management services. KDB Daewoo Securities is headquartered in Seoul, South Korea.
www.kbdw.com

About BDA Business Development Asia LLC ("BDA") is a leader in cross-border investment banking in Asia. BDA advises on M&A, capital raising, and restructuring. BDA has been consistently owned and managed by the same team since 1996. BDA has a track record of providing independent advice to blue-chip corporate and financial sponsor clients from North America, Europe and Asia. BDA was named Investment Banking Firm of the Year by The M&A Advisor in both 2012 and 2010. BDA is headquartered in New York with offices in London, Bahrain, Mumbai, Ho Chi Minh City, Hong Kong, Shanghai, Beijing, Seoul and Tokyo. BDA formed a partnership with William Blair & Company in 2011. BDA carries out its US securities business through BDA Advisors Inc. BDA Advisors Inc is a broker-dealer, registered with the US Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA) and SIPC.
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For more information on this transaction, please contact Heejun Yang in Seoul at +82 2 735 4220.