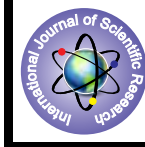


Value Implications of Outward Investment of Firms from Export Base Economy Countries (EBECs) Pre and Post Global Financial Crisis: Geographic Reach for Expansion

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KEYWORDS : Firms from the Export Base Economy Countries; International Investments, Foreign Direct Investment; Cross-border Mergers and Acquisitions; Emerging Market Multinationals

ABSTRACT

The objective of this paper is to examine the impact of Global Financial Crisis on Outward Investment of MNCs from the Export Base Economy countries. This study provides an empirical analysis of international expansion activities that span around the period of 1996-2009. The paper utilizes Securities Database (SDC) Platinum Worldwide Mergers and Acquisitions database in examining 404 international mergers and acquisitions activities of various MNCs from the following countries: Philippines, Cambodia, Vietnam, Malaysia, Brunei, and Indonesia. Overall, the results suggest that although the firms' global mergers and acquisition activities seem to be negatively impacted during the 1996-1997 Asian Financial Crisis. Their recent international activities do suggest the same impact during the 2008 Global Financial Crisis. Their investment activities have been increasing since 2007.

1. Introduction

The recent global financial crisis has been impacting Foreign Direct Investment Activities (FDI) and profitability of Multinational Corporations (MNCs) around the world. According to the 2009 World Investment Report of UNCTAD, due to the current global economic and financial crisis global FDI fell 40 percent just during the first half of 2009. The crisis that resulted in tighter credit, sharp decrease of commodity prices and personal wealth, has negatively affected FDI activities of MNCs from the developed countries. As a result many MNCs from the developed nation have suspended their international expansion activities due to market uncertainty.

However, some MNCs, although amidst the economic and financial turmoil, are actually increasing their international expansions and investments in order to capture opportunities created by the global crisis and to counteract negative effects of the crisis. MNCs from the Philippines are among those firms.

The main purpose of this study is to examine whether global economic and financial crisis have any impact on the international expansion strategies of MNCs from the Philippines and from the Frontier Economies, such as Vietnam (EMCs). In order to examine this interest, this paper looks at their behavior in two separate time frames, namely the historical 1996 Asian Financial Crisis and the current Global Financial Crisis. The study integrates international mergers and acquisition activities of Philippine firms during the time frame of 1996 - 2010. The data is collected from the Securities Database (SDC) Platinum Worldwide Mergers and Acquisitions database.

2. Conceptual Framework

Internationalization of corporations from the emerging markets although relatively small in size has been in existence since the 1970s. In recent years, international expansion activities along with their sizes of Emerging Market Multinationals (EMCs) began to show indication of significant growth. In response to the global financial and economic changes and with the opening of new markets, they began to adapt their operationsto the forces of globalization and hence exploited modus operandi, which showed gradual modification of firm strategy as a whole.

Historically, manufacturing was chosen to be the most prominent industry for operations among the EMCs. Specifically, in the 1980s, to pursue their manufacturing operations, a large number of EMCs explored such factors as securing and /or accessing a stable supply of raw materials and manpower through economies of scale, as well as obtaining technical know-how and transferring technology (Wells, 1977; Agrawal, 1981; Jo, 1981; White, 1981; Ting and Schive, 1981; and Agrawal, 1985). Later, EMCs developed their competitive advantage by matching their competencies, and resources to the environments they operated in. As EMCs accumulated knowledge in managing international operations, they gradually built additional facilities in other countries. Once interaction and integration with different

market environments increased, EMCs gradually internalized their comparative advantages by investing production facilities in developed countries and established their own subsidiaries in these major markets (Khan, 1986; Lau, 1992; Lim and Moon 2001).

The gradual global financial and economic changes triggered changes in the modes of international expansions of EMCs as well. In the early years of expansions, exports were favored for international operations. Especially, Asian and Latin American EMCs carried out trade-related export strategies and/or export led growth strategies and thereby established export businesses as incremental commitments throughout the 1980s (Wells, 1980; Chen, 1981). In the early 1990s, however, joint ventures and strategic alliances began to dominate the expansion scene. In 2000s Mergers and Acquisitions also began to be included in the expansion strategies of these firms. Besides these activities, the operations of EMCs have come to include, cooperative arrangements, and firm networks (Kogut, 1988; Hennart, 1991; Buckley and Casson, 1996; and Calantone and Zhao, 2001). Gradually EMCs from the Philippines began to be seen amongst the successful EMCs that carried on International Expansion activities.

Due to these changes, EMCs have begun modifying their internal operations at intra- and inter-firm levels in a wider geographic access. Today, these multinational corporations hold offices and subsidiaries in more than one developed, developing and/or emerging country. Consequently, EMCs operate and organize their business activities in different international locations in line with their overall firm strategies and relate their technologies according to the environments they operate in. Their increasing growth shows that these firms generate efficient allocation of capital and labor, and create various inputs and skills wherever international operations take place (Lecraw, 1977; Wells, 1977 and 1978, Kumar, 1981; Williamson, Oliver E., 1979; Thee, 1981; White, 1981; Akinnusi, 1981; Agrawal, 1981; S. Lall, 1981; R.B. Lall, 1986; and Lau, 1992).

Hence, it can be said that their expansion activities are profitable for them as the value creation is apparent. In this way, most recent investments from these firms can be looked at from the perspective of Internationalization Framework, especially when mergers and acquisitions are considered. The literature suggests that firms obtain above normal returns from international investments by internalizing host country market imperfections when their firm specific assets cannot find comparable value elsewhere (Caves 1971, 1998; Williamson 1979; Hymer 1976; Buckley and Casson 1976; Morck and Yeung 1991 and 1992). The gains derived from internalization are expected to be capitalized into a higher value of the firm. This has been the case for many firms although the international operations of them were almost always impacted by global financial and economic issues.

The extant theories may explain the expansion behaviors of most firms including the Philippines firms, although traditionally MNCs from emerging economies have been low global players. However, in explaining the expansion strategies of Philippines firms during the current financial crisis, we may need to look at some of the newer theories, as there seems to be an increase of firm international activities during the recent years (see table 1, appendix). Dunning and Pitelis(2009) look at the competitiveness factor from micro level view and integrate firm-level elements into it. According to the authors, as the firm develops and attains more knowledge, “value capture” capabilities can gradually be gained. These capabilities finally lead the firm to the “catching-up” phase. This may explain the case for the Philippine firms’ expansion strategies.

According to Dunning (2006), emerging and developing countries are becoming significant investors and increasing their position in the global economy. He suggests in his Investment Development Path Theory (IDP) (1998) that since FDI benefits host country economy, it has a positive impact in specific economies with well-developed financial markets. The IDP theory posits that investments in receiving countries are correlated positively with the rate of economic growth and that rising economic growth measured by GDP per capita, inward and outward investment conditions change in any given country. The country’s Net Outward Investment Position(NOIP), which is the difference between outward and inward investments advance from negative to positive as FDI inflows into that country continues to exist. Once the country is fully developed, the number will be zero. Dunning by dividing the economic development of countries into five different phases shows that it ranges from non-existent inward and outward FDI in the country to FDI high growth stage and finally “neutralization” stage, (Buckley & Castro, 1998). In the final stage relationship between the NOIP and its level of development becomes less stable. Hence, firms

achieve their ownership advantages not through markets, but within themselves internally (Dunning & Narula, 1998). Therefore, some effects of the global financial crisis on the expansion activities of EMCs from the Philippines may be positive due to the reduction of transaction cost and the attainment of knowledge of the markets.

3. Conclusion

This paper examined the international expansion patterns (through mergers and acquisitions) of EMCs from the Philippines and Frontier Economies during the 1996 Asian Financial Crisis and the 2008 Global Financial Crisis. According to results, the pattern seems different in these two different time frames. Overall, the results suggest that although Philippine firms’ global mergers and acquisition activities seem to be negatively impacted them during the 1996 - 1997 Asian Financial Crisis, their recent international activities do suggest the same impact by current global financial crisis. During the period of 1996-2008 there were 146 mergers and acquisition expansion activities were the average was 10.5. However, between 2006 and 2008 there were about 58 expansion activities averaging 16.3. Their recent investment activities show steady increase since 2007 (see tables 1 and 2, appendix). The results may be in line with both Pitelis’ and Dunning’s theories as these firms show “value capturing” and “catching up” capabilities.

The results also suggest that these firms are investing more now than ever before. During 1997, mostly Asian countries got affected by the crisis as it was felt more within the region. During that time the countries were poorer and the firms did not necessarily have the capital to invest. In addition, investor firms seemed to postpone their expansion to a later date. Hence, giving such EMCs the opportunity to acquire and invest cheaper than ever before in a multitude of diverse nations.

Appendix

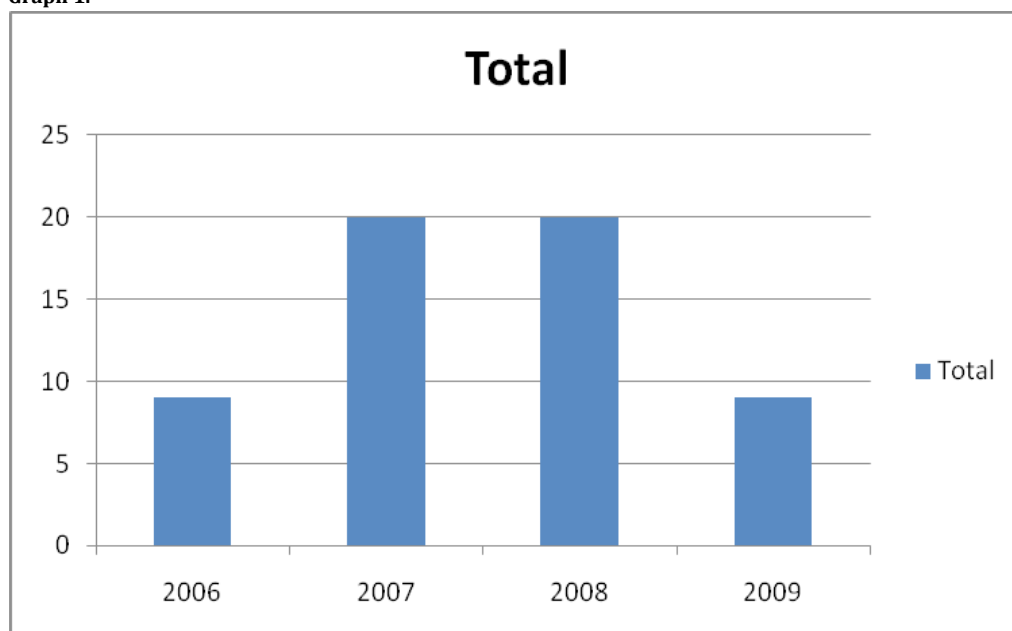
Table 1. International expansions of MNCs from the Export Base Economies (mixed) (2006 -2009)

Date Announced	Acquiror Name	Acquiror Business	Acquiror SIC	Target Name	Target Nation	Target Business	Target SIC	% of Shares Acq.
05/01/06	PaxysInc	Pvd BPO svcs	7389	SmartSalary Pty Ltd	Australia	Pvd salary packaging svcs	7389	100.00
05/23/06	Investor Group	Investor group	6799	Steniel (Netherlands) Holdings	Netherlands	Mnfr cardboard boxes	2675	
06/06/06	Pearl Asian Mining Industries	Mineral mining co	1081	Tianlin Gold Processing Plant	China	Gold mining	1041	
06/20/06	ADB	Non-govtagcy	999G	Hangzhou City Commercial Bank	China	Bank (foreign)	6000	
08/30/06	ADB	Non-govtagcy	999G	China Gas Holdings Ltd	Hong Kong	Own,op gas pipelines	4612	4.88
10/12/06	Investor Group	Investor group	6799	Integreon Managed Solutionsd	United States	Pvd BPO solutions svcs	8748	
11/30/06	ADB	Non-govtagcy	999G	Central Uttar Pradesh Gas Ltd	India	Whl natural gas	4924	20.00
12/17/06	Livelt Solutions Inc	Holding co	6719	Affinity Express Inc	United States	Pvd document creation svcs	7336	95.00
12/27/06	Zest-O Corp	Produce,whl fruit juices	2086	Arab Beverages Establishments	Utd Arab Em	Produce,whl fruit juices	2086	100.00
03/01/07	Sara Lee (Philippines) Inc	Produce pkgmeats,baked goods	2051	Tupperware Brands Corp	United States	Mnfr plastic consumer prod	3089	100.00
04/10/07	Per Gustafsson	Individual	6799	DFNN International Pte Ltd	Singapore	Pvd info tech svcs	7376	
04/16/07	TKC Steel Corp	Pvd computer training svcs	7379	ZZ Stronghold Steel Works Co	China	Mnfr steel works	3312	90.00
05/31/07	KickRadio.com	Pvd radio show svcs	7375	Media Broadcast Network	United States	Pvd online radio show svcs	7375	100.00

Date Announced	Acquiror Name	Acquiror Business	Acquiror SIC	Target Name	Target Nation	Target Business	Target SIC	% of Shares Acq.
06/18/07	Jollibee Foods Corp	Own,op rest	5812	Belmont Entrp Ventures Ltd	China	Own,op restaurants	5812	15.00
07/11/07	ICTSI Ltd	Pvd container port svcs	4491	Sociedad Puerto Industrial	Colombia	Pvd container port svcs	4491	
07/31/07	MIC Holdings Corp	Application Svcs Provider{ASP}	7373	Cyber Hunt Ltd	Hong Kong	Invest co	6799	
08/07/07	SmartConnect Holdings PTE Ltd	Pvdtelecommunsvcs	4813	Blue Ocean Wireless Ltd	Ireland-Rep	Pvd wireless telecommunsvcs	4813	30.00
08/07/07	SmartConnect Holdings PTE Ltd	Pvdtelecommunsvcs	4813	Blue Ocean Wireless Ltd	Ireland-Rep	Pvd wireless telecommunsvcs	4813	
09/21/07	Jollibee Foods Corp	Own,op rest	5812	Beijing Hongzhuangyuan	China	Own,op restaurants	5812	100.00
09/29/07	Del Monte Pacific Ltd	Produce tropical juices	2033	FieldFresh Foods Pvt Ltd	India	Own,op vegetable farm	0179	40.00
10/01/07	Teodoro N RomasantaInc	Pvd telecommunication svcs	4813	Lara Exploration Ltd-Araguaia	Brazil	Copper,gold,nickel mining ppty	1021	
10/05/07	ATR-Kim Eng Capital Partners	Investment management services	6282	Sovereign Global Resources Ltd	Hong Kong	Invest hldg co	6799	100.00
11/06/07	Philex Mining Corp	Gold,copper mining co	1041	Pitkin Petroleum Ltd	United States	Oil,gasexpl,prodn co	1311	4.40
11/13/07	IP Converge Data Center Inc	Pvd info tech,telecommunsvcs	7376	IP-Converge Pte Ltd	Singapore	Application Svcs Provider{ASP}	7373	100.00
11/13/07	SM Prime Holdings Inc	Own,op shopping malls	5311	Affluent Capital Enterprises	Hong Kong	Own,op shopping malls	6512	100.00
11/30/07	Investor Group	Investor group	6799	PeopleSupportInc	United States	Pvd process outsourcing svcs	7379	
12/21/07	Philex Mining Corp	Gold,copper mining co	1041	FEC Resources Inc	Canada	Oil,gasexpl,prodn co	1311	85.42
12/21/07	IPVG Corp	Pvd info tech svcs	7376	Interactive Teleservices Corp	United States	Own,op call center	4899	
12/24/07	Philex Mining Corp	Gold,copper mining co	1041	Pitkin Petroleum Ltd	United States	Oil,gasexpl,prodn co	1311	6.40
01/07/08	Exist Global	Pvd software engineering svcs	7376	DevZuz	United States	Dvlp software	7372	100.00
01/07/08	IPVG Corp	Pvd info tech svcs	7376	Prolexic Technologies Inc	United States	Dvlp Internet sec software	7372	100.00
01/10/08	First Gen Corp	Pvd power generation svcs	4911	Spalmare Holdings BV	Netherlands	Invest hldg co	6799	40.00
01/23/08	A Soriano Corp	Mnfricable,wire	3643	Cirrus Holdings USA LLC	United States	Pvd staffing svcs	7361	
02/29/08	SM Prime Holdings Inc	Own,op shopping malls	5311	Mega Make Enterprises Ltd	Hong Kong	Own,op shopping malls	6512	100.00
03/04/08	Alliance Tuna Intl Inc	Produce,whl canned tuna	2091	KarabhaSakti PT	Indonesia	Own,op tuna cannery	2091	
04/29/08	Tri-Hub Transactions Inc	Pvd transaction solutions svcs	7371	Entertainment Factory Inc	Switzerland	Pvd content mgmtsvcs	7822	100.00
05/14/08	IPVG Corp	Pvd info tech svcs	7376	Verity Analytics	India	Pvd process outsourcing svcs	7389	
06/18/08	Jollibee Worldwide Pte Ltd	Own,op rest	5812	Lao Dong Restaurant	Taiwan	Own,op rest	5812	70.00
06/20/08	Leisure & Resorts World Corp	Own,op hotels	7011	Undisclosed Sportsbooking Co	Hong Kong	Pvd sports betting svcs	7999	
07/01/08	Philex Petroleum Corp	Oil,gasexpl,prodn	1311	Forum Energy PLC	United Kingdom	Oil and gas exploration,prodn	1311	13.95
07/02/08	Philex Petroleum Corp	Oil,gasexpl,prodn	1311	Forum Energy PLC	United Kingdom	Oil and gas exploration,prodn	1311	

Date Announced	Acquiror Name	Acquiror Business	Acquiror SIC	Target Name	Target Nation	Target Business	Target SIC	% of Shares Acq.
07/28/08	Jollibee Worldwide Pte Ltd	Own,op rest	5812	Chow Fun Holdings LLC	United States	Own,op rest	5812	
08/01/08	Globe Telecom Inc	Pvd telecommunications svcs	4813	EGGstreame(Hong Kong) Ltd	Hong Kong	Pvd mobile content svcs	7376	100.00
09/17/08	Mabuhay Satellite Corp	Own,op satellite facilities	4899	ProtoStar Ltd	Bermuda	Pvd satellite svcs	4899	
10/17/08	Alliance Tuna Intl Inc	Produce,whl canned tuna	2091	Prime Foods NZ Ltd	New Zealand	Produce,whl smoked seafood	2091	
11/04/08	SMC	Produce malt liquors	2082	Bumi Resources Tbk PT	Indonesia	Coal mining	1222	
11/12/08	i-Remit Inc	Pvd remittance svcs	6099	Power Star Asia Group Ltd	Hong Kong	Pvd remittance svcs	6099	100.00
11/13/08	ABS-CBN Global Ltd	Own,op TV stn	4833	Multiply Inc	United States	Pvd online networking svcs	7375	3.71
11/19/08	Bacnotan Consolidated IndsInc	Mnfr cement	3241	One Animate Ltd	Hong Kong	Pvd outsourcing svcs	7389	80.00
01/19/09	i-Remit Inc	Pvd remittance svcs	6099	Hwa Kung Hong Co Ltd	Taiwan	Pvd remittance svcs	6099	49.00
02/12/09	Yuro 5 Continents Mining Corp	Iron ore mining	1011	Korab Resources-Prospect 495	Australia	Iron ore mining	1011	
03/12/09	Alliance Tuna Intl Inc	Produce,whl canned tuna	2091	Intl Alliance Food Indonesia	Indonesia	Produce,whl canned tuna	2091	10.00
03/17/09	Philex Mining Corp	Gold,copper mining co	1041	Pitkin Petroleum Ltd	United States	Oil,gasexpl,prodn co	1311	
03/27/09	Verify Smart Corp	Dvlp sec software	7372	Verified Capital Corp	Canada	Invest co	6799	
05/07/09	ATR-Kim EngFinl Corp	Invest hldg co	6799	MNB Holdings Corp	United States	Bkhldg co	6021	
05/08/09	Fastech Synergy Ltd	Mnfrelectnparts,equip	3674	Pacific Gaming Invest Pte Ltd	Singapore	Pvd gaming tech solutions svcs	7376	
08/07/09	PNB	Bank (foreign)	6000	Allied Commercial Bank	China	Bank (non-US)	6000	38.00
08/22/09	Sterling Bank of Asia Inc	Bk	6000	Centennial Savings Bank FSB	United States	Bk	6029	100.00

Graph 1.



Number of international expansion from 2006-2009 Average (2006-2008) = 16.3 (58 Expansion Activities)

Table 2 International expansions of MNCs from the Philippines (1996 -2008)

Date Announced	Acquiror Name	Acquiror Business	Acquiror SIC	Target Name	Target Business	Target SIC	Target Nation	% of Shares Acq.
02/01/96	Edward Keller(Philippines)	Produce food products	2099	Griffith Laboratories	Produce food products	2099	United States	100.00
02/14/96	Dharmala Philippines Inc	Investment holding company	6799	Amber Savings Bank	Bank	6000	Malaysia	
06/05/96	RFM Capital Ltd(RFM Corp)	Produce foodstuffs,animal feed	2041	SpeedvaleMall,Guelph, Ontario	Own,operate shopping mall	6512	Canada	100.00
06/06/96	MBf Card Svcs(MBf Capital)	Pvd credit card services	7389	MBf Card Services SdnBhd	Pvd financial services	6141	Malaysia	
07/09/96	Philippines	National government	999A	Saeaga Airlines	Pvd air transportation svcs	4512	Malaysia	
07/19/96	ADB	Non-govtagcy	999G	SBI Gilts Ltd	Securities brokerage firm	6211	India	15.00
07/19/96	ADB	Non-govtagcy	999G	SBI Securities Ltd	Securities brokerage firm	6211	India	24.00
07/19/96	ADB	Non-govtagcy	999G	SBI Capital Markets Ltd	Investment bank	6211	India	14.00
09/05/96	Engtek Philippines Inc	Investment holding company	6799	Montana Energie Handel-Sales	Whl mineral oil	5172	Germany	100.00
09/10/96	La Tondena Distillers Inc	Produce,whl liquors	2085	DistileriaBagoInc	Whl alcohol and liquors	5182	Papua N Guinea	60.00
10/22/96	ADB	Non-govtagcy	999G	Everbright Bank of China	Bank	6000	China	
10/30/96	NeptuniaCorp(San Miguel Corp)	Produce beer; investment firm	2082	San Miguel Brewery Hong Kong	Produce beer;invest firm	2082	Hong Kong	
11/21/96	SMC	Produce malt liquors	2082	DharmalaAgri-Feeds and Poultr	Own,op crop fields	0723	Indonesia	
12/13/96	Kuok Philippine PtyInc	Real estate invest firm	6798	Gipsey Ltd	Investment firm	6799	Hong Kong	100.00
12/13/96	Robshar Ltd(Kerry Holdings)	Own,op hotels	7011	Shangri-La Asia Ltd	Own,op hotels	7011	Hong Kong	
01/08/97	Bradstock Asia Ins Brokers	Insurance company	6311	Suntek Insurance Brokers Pte	Pvd insurance brokerage svcs	6411	Singapore	51.00
02/20/97	Basic Petroleum & Minerals Inc	Oil and gas exploration,prodn	1311	Olympic Gold PLC	Internet Software Developers	7372	United Kingdom	
03/05/97	Sinophil Corp	Invest hldg co	6799	Subic Bay Resort(Metroplex)	Own,op resort hotel	7011	Hong Kong	
04/04/97	Urban Bank Inc	Comlbk	6000	Redwood Bk,SanFrancisco,CA	Commercial bank	6022	United States	
06/12/97	Sinophil Corp	Invest hldg co	6799	Subic Bay Resort(Metroplex)	Own,op resort hotel	7011	Hong Kong	
07/21/97	Intl Container Terminal Svcs	Pvd port terminal svcs	4491	Ensenada Cruiseport Village SA	Own,operate port	4491	Mexico	100.00
08/04/97	Best World Land(Philippines)	Real estate development firm	6552	Gimwell Hardware & Trading Sdn	Wholesale hardware	5072	Malaysia	
08/26/97	SPI Technologies Inc	Pvd outsourcing svcs	7373	Northprint BV(Reed Elsevier)	Pvdediting, graphicssvcs	2741	Netherlands	
10/10/97	Freyssinet Post Tensioning	Mnfr building materials	3271	Plasmec (Pty) Ltd	Mnfr plastic tubings	3089	South Africa	75.00
11/24/97	Sinophil Corp	Invest hldg co	6799	MagiNet Corp	Pvdcable,pay television svcs	4841	United States	
12/30/97	Intl Container Terminal Svcs	Pvd port terminal svcs	4491	King Abdul Aziz Terminal	Own,op port	4491	Saudi Arabia	100.00
07/10/98	Investor Group	Investor group	6799	Axiom-Sterling Advanced Fraud	Mnfr fraud mngmnt system	3669	United States	

Date Announced	Acquiror Name	Acquiror Business	Acquiror SIC	Target Name	Target Business	Target SIC	Target Nation	% of Shares Acq.
07/16/98	Urban Bank Inc	Comlbnk	6000	Century Bank,Beverly Hills	Commercial bank	6022	United States	
12/14/98	ADB	Non-govtagcy	999G	Krung Thai Bank PCL	Bank	6000	Thailand	
01/07/99	Investor Group	Investor group	6799	PT Asia Cellular Satellite Co	Pvd telecommunications svcs	4813	Thailand	
04/22/99	East Asia Power Resources Corp	Electric,gas utility	4911	East Asia Utilities Corp	Electric and gas utility	4931	Malaysia	100.00
04/30/99	JG Summit Holdings Inc	Prod food prod	2096	United Industrial Corp Ltd	Invest hldg co	6798	Singapore	23.00
05/12/99	Mimax Ribbons(First Capital)	Investment firm; RE dvlp firm	6799	Hotel Properties Ltd	Own,op hotels	7011	Singapore	4.87
06/07/99	SMC	Produce malt liquors	2082	Indofood SuksesMakmur PT	Produce instant noodles	2099	Indonesia	
06/07/99	MBRS Lines	Pvd water transportation svcs	4481	Tranz Rail Ltd-Aratika	Own,op ferry	4482	Australia	100.00
07/26/99	Ayala International Pte Ltd	Investment company	6799	Ayala International Properties	Real estate development firm	6552	Singapore	
07/30/99	East West Banking Corp	Pvdcomlbnkgsvcs	6000	Phoenix Intl-Windows Banking	Dvlp,pvd banking software	7372	United States	100.00
10/27/99	ICTSI International Holdings	Pvd cargo handling svcs	4491	Buenos Aires Container T	Trucking company	4212	Argentina	50.00
11/05/99	SMC	Produce malt liquors	2082	Associated Breweries	Prod malt beverages	2082	India	
11/17/99	ADB	Non-govtagcy	999G	Trade &Dvlp Bank of Mongolia	Commercial bank	6000	Mongolia	
12/13/99	Intl Container Terminal Svcs	Pvd port terminal svcs	4491	Thai LaemChabang Terminal	Pvd terminal svcs	4173	Thailand	
04/17/00	SMC	Produce malt liquors	2082	J Boag & Son Ltd	Produce malt beverages	2082	Australia	100.00
04/27/00	iAyala Co Inc(Ayala Corp)	Pvd internet web content svcs	7375	Music.com Inc(Music Corp)	Pvd online music retail svcs	5736	United States	
05/05/00	Omico Corp	Gold mining	1041	IemagineInc	Dvlp Internet software	7371	United States	20.00
07/27/00	Asian Spirit Inc	Passenger airline	4512	Indus PesawatTerbang-airplane	Mnfr airplanes	3721	Indonesia	
08/28/00	Alliance Growers Holdings Inc	Investment holding company	6799	McKesterPik-Nik International	Mnfr,whl potato food prods	2096	United States	100.00
09/20/00	WG&A Inc	Shipping company	4412	Ehime Hanshin-White Sanpo 2	Provide car ferry services	4449	Japan	100.00
11/29/00	Galante International Ltd	Holding co	6719	Superframe Group PLC	Mnfr retail display equipment	2542	United Kingdom	29.90
12/20/00	Unique Bagel Co Inc	Mnfr,retail bagels	2051	CobraTech Industries Ltd	Pvd ecommerce svcs	7375	Canada	97.00
01/23/01	Intl Container Terminal Svcs	Pvd port terminal svcs	4491	Suape Container Terminal	Own,opmarinas,docks	4491	Brazil	100.00
11/27/01	Investor Group	Investor group	6799	Micronesian Telecommun Corp	Pvd telecommunications svcs	4813	Micronesia	
01/10/02	Jollibee Foods Corp	Own,op rest	5812	Tokyo Teriyaki House	Own,op a restaurants	5812	United States	90.00
08/02/02	SPI Technologies Inc	Pvd outsourcing svcs	7373	Achorn Graphics Services Inc	Pvd typesetting vendor svcs	2791	United States	100.00
08/12/02	ADB	Non-govtagcy	999G	Karachi Elec Supply Corp Ltd	Elec utility	4911	Pakistan	

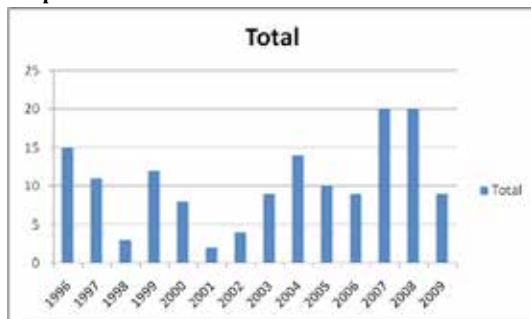
Date Announced	Acquiror Name	Acquiror Business	Acquiror SIC	Target Name	Target Business	Target SIC	Target Nation	% of Shares Acq.
11/22/02	First Metro Investment Corp	Invest bank	6211	First Metro International	Pvd financing services	6141	Hong Kong	17.88
01/09/03	SMC	Produce malt liquors	2082	Coca Cola IndochinePte Ltd	Whlsoftdrinks	5149	Vietnam	
01/27/03	San Miguel Shunde Holdings Ltd	Prod beer;holding company	2082	San Miguel Shunde Brewery Co	Prod beer	2082	China	
02/27/03	Intl Container Terminal Svcs	Pvd port terminal svcs	4491	Baltic Container Terminal Ltd	Pvd cargo handling svcs	4491	Poland	100.00
03/04/03	BPI	Bank (foreign)	6000	Bank NISP Tbk PT	Bank (foreign)	6000	Indonesia	
04/04/03	SPI Technologies Inc	Pvd outsourcing svcs	7373	Med-Type LLC	Pvdmedical,healthsvcs	6324	United States	100.00
04/25/03	Intl Container Terminal Svcs	Pvd port terminal svcs	4491	Undisclosed Luanda Port	Own,op marinas	4491	Angola	
09/22/03	Investor Group	Investor group	6799	Petronet-LNG Ltd	Oil and gas exploration,prodn	1311	India	
10/23/03	SMC	Produce malt liquors	2082	TTC(Vietnam)Co Ltd	Own,op pig farm, feed mill	0751	Vietnam	100.00
11/19/03	SPI Technologies Inc	Pvd outsourcing svcs	7373	Kolam Info SvcsPvt Ltd	Pvdeditorial, prepresssvcs	7389	India	100.00
01/12/04	Philweb Corp	Pvd Internet gaming svcs	7375	Edsamil Holdings Pte Ltd	Investment holding company	6799	Singapore	100.00
04/07/04	SMC	Produce malt liquors	2082	Thai Amarit-Thailand Assets	Brewery assets	2082	Thailand	100.00
04/28/04	IPVG Corp	Pvd info tech svcs	7376	Edsamil Holdings Pte Ltd	Investment holding company	6799	Singapore	21.45
05/24/04	Banco de Oro Universal Bank	Bank (foreign)	6000	HatidYaman Remittance Co Ltd	Pvd remittance svcs	7389	Hong Kong	
07/20/04	Pearl Asian Mining Industries	Mineral mining co	1081	Wolf Lake Gold-Silver-Copper	Gold,silver,copper mining	1041	Canada	100.00
08/05/04	SMC	Produce malt liquors	2082	Berri Ltd	Produce fruit juice	2033	Australia	50.00
08/05/04	Ionics EMS Inc	Mnfr semiconductors	3674	Ionics EMS Ltd	Invest hldg co	6799	Cayman Islands	100.00
10/12/04	ADB	Non-govtagcy	999G	Shenzhen Credit Orienwise	Pvd financing svcs	6141	China	10.00
11/17/04	SMC	Produce malt liquors	2082	Guolen Plastic Films SdnBhd	Mnfr,whl plastic products	2821	Malaysia	68.00
11/17/04	SMC	Produce malt liquors	2082	Guolene Packaging & Printing	Mnfr,whlpkg materials	2652	Malaysia	100.00
11/17/04	SMC	Produce malt liquors	2082	Guolene Woven Products(Melaka)	Mnfr,whlpkg materials	2674	Malaysia	100.00
11/17/04	SMC	Produce malt liquors	2082	Packaging Research SdnBhd	Research,dvlp co	8731	Malaysia	100.00
11/23/04	Ginebra San Miguel Inc	Produce,whl liquors	2085	CNT Wine & Liquor Co Ltd	Investment company	6799	Thailand	40.00
12/30/04	SMC	Produce malt liquors	2082	National Foods Ltd	Prod,whl dairy prod	0241	Australia	100.00
02/08/05	SMC	Produce malt liquors	2082	King's Creameries(S)Pte Ltd	Produce ice cream prod	2024	Singapore	
02/24/05	SMC	Produce malt liquors	2082	San Miguel Brewery Hong Kong	Produce beer,invest firm	2082	Hong Kong	
03/04/05	SPI Technologies Inc	Pvd outsourcing svcs	7373	KG Info Svcs& Tech Pvt Ltd	Pvd med transcription svcs	7389	India	

Date Announced	Acquiror Name	Acquiror Business	Acquiror SIC	Target Name	Target Business	Target SIC	Target Nation	% of Shares Acq.
06/09/05	Integrated MicroelectrnInc	Mnfrsemiconductors, devices	3674	Speedy-Tech Electronics Ltd	Mnfr power supplies	3679	Singapore	100.00
08/25/05	SMC	Produce malt liquors	2082	Lion Nathan Ltd	Prod,whl,ret beverages	2082	Australia	
10/05/05	JG Summit Holdings Inc	Prod food prod	2096	United Industrial Corp Ltd	Invest hldg co	6798	Singapore	
10/10/05	ADB	Non-govtagcy	999G	Bank of China Ltd	Bank (foreign)	6000	China	
12/01/05	NutriAsia Pacific Ltd	Investment holding company	6799	Del Monte Pacific Ltd	Produce,whl canned foods	2033	Singapore	49.76
12/01/05	NutriAsia Pacific Ltd	Investment holding company	6799	Del Monte Pacific Ltd	Produce,whl canned foods	2033	Singapore	34.77
12/07/05	Philippine Associated Smelting	Copper smelter,refinery	3331	Kazzinc JSC	Copper,zinc mining	1021	Kazakhstan	22.65
05/01/06	PaxysInc	Pvd BPO svcs	7389	SmartSalary Pty Ltd	Pvd salary packaging svcs	7389	Australia	100.00
05/23/06	Investor Group	Investor group	6799	Steniel (Netherlands) Holdings	Mnfr cardboard boxes	2675	Netherlands	
06/06/06	Pearl Asian Mining Industries	Mineral mining co	1081	Tianlin Gold Processing Plant	Gold mining	1041	China	
06/20/06	ADB	Non-govtagcy	999G	Hangzhou City Commercial Bank	Bank (foreign)	6000	China	
08/30/06	ADB	Non-govtagcy	999G	China Gas Holdings Ltd	Own,op gas pipelines	4612	Hong Kong	4.88
10/12/06	Investor Group	Investor group	6799	Integreon Managed Solutionsd	Pvd BPO solutions svcs	8748	United States	
11/30/06	ADB	Non-govtagcy	999G	Central Uttar Pradesh Gas Ltd	Whl natural gas	4924	India	20.00
12/17/06	Livelt Solutions Inc	Holding co	6719	Affinity Express Inc	Pvd document creation svcs	7336	United States	95.00
12/27/06	Zest-O Corp	Produce,whl fruit juices	2086	Arab Beverages Establishments	Produce,whl fruit juices	2086	Utd Arab Em	100.00
03/01/07	Sara Lee (Philippines) Inc	Produce pkgmeats,baked goods	2051	Tupperware Brands Corp	Mnfr plastic consumer prod	3089	United States	100.00
04/10/07	Per Gustafsson	Individual	6799	DFNN International Pte Ltd	Pvd info tech svcs	7376	Singapore	
04/16/07	TKC Steel Corp	Pvd computer training svcs	7379	ZZ Stronghold Steel Works Co	Mnfr steel works	3312	China	90.00
05/31/07	KickRadio.com	Pvd radio show svcs	7375	Media Broadcast Network	Pvd online radio show svcs	7375	United States	100.00
06/18/07	Jollibee Foods Corp	Own,op rest	5812	Belmont Entrp Ventures Ltd	Own,op restaurants	5812	China	15.00
07/11/07	ICTSI Ltd	Pvd container port svcs	4491	Sociedad Puerto Industrial	Pvd container port svcs	4491	Colombia	
07/31/07	MIC Holdings Corp	Application Svcs Provider{ASP}	7373	Cyber Hunt Ltd	Invest co	6799	Hong Kong	
08/07/07	SmartConnect Holdings PTE Ltd	Pvdtelecommunsvcs	4813	Blue Ocean Wireless Ltd	Pvd wireless telecommunsvcs	4813	Ireland-Rep	30.00
08/07/07	SmartConnect Holdings PTE Ltd	Pvdtelecommunsvcs	4813	Blue Ocean Wireless Ltd	Pvd wireless telecommunsvcs	4813	Ireland-Rep	
09/21/07	Jollibee Foods Corp	Own,op rest	5812	Beijing Hongzhuangyuan	Own,op restaurants	5812	China	100.00
09/29/07	Del Monte Pacific Ltd	Produce tropical juices	2033	FieldFresh Foods Pvt Ltd	Own,op vegetable farm	0179	India	40.00

Date Announced	Acquiror Name	Acquiror Business	Acquiror SIC	Target Name	Target Business	Target SIC	Target Nation	% of Shares Acq.
10/01/07	Teodoro N RomasantaInc	Pvd telecommunication svcs	4813	Lara Exploration Ltd-Araguaia	Copper,gold,nickel mining ppty	1021	Brazil	
10/05/07	ATR-Kim Eng Capital Partners	Investment management services	6282	Sovereign Global Resources Ltd	Invest hldg co	6799	Hong Kong	100.00
11/06/07	Philex Mining Corp	Gold,copper mining co	1041	Pitkin Petroleum Ltd	Oil,gasexpl,prodn co	1311	United States	4.40
11/13/07	IP Converge Data Center Inc	Pvd info tech,telecommunsvcs	7376	IP-Converge Pte Ltd	Application Svcs Provider{ASP}	7373	Singapore	100.00
11/13/07	SM Prime Holdings Inc	Own,op shopping malls	5311	Affluent Capital Enterprises	Own,op shopping malls	6512	Hong Kong	100.00
11/30/07	Investor Group	Investor group	6799	PeopleSupportInc	Pvd process outsourcing svcs	7379	United States	
12/21/07	Philex Mining Corp	Gold,copper mining co	1041	FEC Resources Inc	Oil,gasexpl,prodn co	1311	Canada	85.42
12/21/07	IPVG Corp	Pvd info tech svcs	7376	Interactive Teleservices Corp	Own,op call center	4899	United States	
12/24/07	Philex Mining Corp	Gold,copper mining co	1041	Pitkin Petroleum Ltd	Oil,gasexpl,prodn co	1311	United States	6.40
01/07/08	Exist Global	Pvd software engineering svcs	7376	DevZuz	Dvlp software	7372	United States	100.00
01/07/08	IPVG Corp	Pvd info tech svcs	7376	Prolexic Technologies Inc	Dvlp Internet sec software	7372	United States	100.00
01/10/08	First Gen Corp	Pvd power generation svcs	4911	Spalmare Holdings BV	Invest hldg co	6799	Netherlands	40.00
01/23/08	A Soriano Corp	Mnfricable,wire	3643	Cirrus Holdings USA LLC	Pvd staffing svcs	7361	United States	
02/29/08	SM Prime Holdings Inc	Own,op shopping malls	5311	Mega Make Enterprises Ltd	Own,op shopping malls	6512	Hong Kong	100.00
03/04/08	Alliance Tuna Intl Inc	Produce,whl canned tuna	2091	KarabhaSakti PT	Own,op tuna cannery	2091	Indonesia	
04/29/08	Tri-Hub Transactions Inc	Pvd transaction solutions svcs	7371	Entertainment Factory Inc	Pvd content mgmtsvcs	7822	Switzerland	100.00
05/14/08	IPVG Corp	Pvd info tech svcs	7376	Verity Analytics	Pvd process outsourcing svcs	7389	India	
06/18/08	Jollibee Worldwide Pte Ltd	Own,op rest	5812	Lao Dong Restaurant	Own,op rest	5812	Taiwan	70.00
06/20/08	Leisure & Resorts World Corp	Own,op hotels	7011	Undisclosed Sportsbooking Co	Pvd sports betting svcs	7999	Hong Kong	
07/01/08	Philex Petroleum Corp	Oil,gasexpl,prodn	1311	Forum Energy PLC	Oil and gas exploration,prodn	1311	United Kingdom	13.95
07/02/08	Philex Petroleum Corp	Oil,gasexpl,prodn	1311	Forum Energy PLC	Oil and gas exploration,prodn	1311	United Kingdom	
07/28/08	Jollibee Worldwide Pte Ltd	Own,op rest	5812	Chow Fun Holdings LLC	Own,op rest	5812	United States	
08/01/08	Globe Telecom Inc	Pvd telecommunications svcs	4813	EGGstreme(Hong Kong)Ltd	Pvd mobile content svcs	7376	Hong Kong	100.00
09/17/08	Mabuhay Satellite Corp	Own,op satellite facilities	4899	ProtoStar Ltd	Pvd satellite svcs	4899	Bermuda	
10/17/08	Alliance Tuna Intl Inc	Produce,whl canned tuna	2091	Prime Foods NZ Ltd	Produce,whl smoked seafood	2091	New Zealand	
11/04/08	SMC	Produce malt liquors	2082	Bumi Resources Tbk PT	Coal mining	1222	Indonesia	
11/12/08	i-Remit Inc	Pvd remittance svcs	6099	Power Star Asia Group Ltd	Pvd remittance svcs	6099	Hong Kong	100.00

Date Announced	Acquiror Name	Acquiror Business	Acquiror SIC	Target Name	Target Business	Target SIC	Target Nation	% of Shares Acq.
11/13/08	ABS-CBN Global Ltd	Own,op TV stn	4833	Multiply Inc	Pvd online networking svcs	7375	United States	3.71
11/19/08	Bacnotan Consolidated IndsInc	Mnfr cement	3241	One Animate Ltd	Pvd outsourcing svcs	7389	Hong Kong	80.00
01/19/09	i-Remit Inc	Pvd remittance svcs	6099	Hwa Kung Hong Co Ltd	Pvd remittance svcs	6099	Taiwan	49.00
02/12/09	Yuro 5 Continents Mining Corp	Iron ore mining	1011	Korab Resources-Prospect 495	Iron ore mining	1011	Australia	
03/12/09	Alliance Tuna Intl Inc	Produce,whl canned tuna	2091	Intl Alliance Food Indonesia	Produce,whl canned tuna	2091	Indonesia	10.00
03/17/09	Philex Mining Corp	Gold,copper mining co	1041	Pitkin Petroleum Ltd	Oil,gasexpl,prodn co	1311	United States	
03/27/09	Verify Smart Corp	Dvlp sec software	7372	Verified Capital Corp	Invest co	6799	Canada	
05/07/09	ATR-Kim EngFinl Corp	Invest hldg co	6799	MNB Holdings Corp	Bkhdg co	6021	United States	
05/08/09	Fastech Synergy Ltd	Mnfrelectnparts,equip	3674	Pacific Gaming Invest Pte Ltd	Pvd gaming tech solutions svcs	7376	Singapore	
08/07/09	PNB	Bank (foreign)	6000	Allied Commercial Bank	Bank (non-US)	6000	China	38.00
08/22/09	Sterling Bank of Asia Inc	Bk	6000	Centennial Savings Bank FSB	Bk	6029	United States	100.00

Graph 2.



Total number of international expansion during 1996-2009 Average (1996-2008) = 10.5 (146 Total expansion activities)

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