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# M&A NEWSLETTER

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# MARKET OVERVIEW

## Vietnam's M&A: Recovery and embracing new growth opportunities

Experts predict that the Vietnam's M&A market will achieve equilibrium in 2023, with a focus on sustainable development starting from 2024. Although Vietnam has been impacted by the deceleration of the global M&A market, it continues to possess its inherent economic strengths and is prepared for a new period of expansion.

### The M&A Market in Vietnam in 2023

According to data from KPMG, the total value of M&A transactions in Vietnam in the first 10 months of 2023 reached USD 4.4 billion, down 23% from the same period last year. The main reason for this decline is global political and economic instability, as well as rising inflation and interest rates, which have made transactions more expensive and difficult.

In 2023, foreign investors dominated M&A transactions in Vietnam, accounting for 96% of the total value of M&A transactions. Investors from Japan, Singapore, and the United States were the leading investors, actively participating in M&A transactions in Vietnam in 2023. The total value of M&A transactions by the above investors accounted for more than 70% of the total value of M&A transactions in 2023, focusing on sectors with high growth potential and regional integration such as green energy, technology, real estate, and healthcare.

Vietnam has made efforts to reform laws and infrastructure to create a more favorable and transparent business environment for M&A activities. In particular, the event of Vietnam and the United States upgrading their relationship to a comprehensive strategic partnership this year is expected to boost American investment in Vietnam, including M&A.

### Outlook for the M&A Market in Vietnam in 2024

The Vietnam's M&A market is poised for growth in 2024 due to a number of economic advances and reforms to attract foreign investment. M&A transactions are expected to increase in key sectors, including:

- **Technology:** Foreign investors, particularly large technology companies, will continue to be interested in investing in Vietnamese technology companies, particularly those operating in the areas of fintech, e-commerce, and artificial intelligence (AI).
- **Clean energy:** Vietnam is committed to transitioning to clean energy, creating opportunities for investors to participate in this sector through M&A.
- **Real estate:** The real estate sector remains an important part of the Vietnamese economy. However, M&A activity in this sector in 2024 is likely to focus on high-end real estate and industrial real estate.
- **Healthcare:** Vietnam's aging population is creating increasing demand for healthcare services. This creates opportunities for investors to participate in this sector through M&A.

With a solid foundation, a number of new supportive policies being issued, and increasing investor interest in Vietnamese businesses, the Vietnam's M&A market is expected to make a strong recovery in 2024, especially for strategic, long-term investments. This, along with the growth in the key sectors mentioned above, paints a promising picture for the future of the M&A market in Vietnam./.



The background of the slide is an aerial photograph of a dense city skyline, likely Hong Kong, with numerous skyscrapers and a body of water. A teal-colored overlay covers the top half of the image. A white, semi-transparent geometric shape, resembling a large triangle or arrow pointing right, is positioned over the middle of the image, containing the text.

# HIGHLIGHTED M&As



# HIGHLIGHTED M&As

## Funding Societies successfully raised USD 7.5 million



Announcement date	01-11-2023
Investee	Funding Societies Pte. Ltd. (FS)
Investor	Norwegian Investment Fund (Norfund)
Target	Funding Societies Pte. Ltd. (FS)
Investment type	Fund raising
Change of ownership's rate	N/A
Value	USD 7.5 million
<p>Purpose: This investment will help FS expand its operations, increase financial access for small and medium-sized enterprises (SMEs) in Southeast Asia, and thereby facilitate the development of these enterprises and create more jobs for the societies.</p>	



### Investee: Funding Societies

Founded by Kelvin Teo and Reynold Wijaya in 2015, Funding Societies is a fintech startup that provides comprehensive financial solutions for businesses, not only in terms of capital, but also in developing payment and debt collection support products.

In Vietnam, Funding Societies focuses on supporting small and medium-sized enterprises in a variety of sectors, such as education, retail, technology, and FMCG.



### Investor: Norfund

Norfund is a Norwegian government-owned development finance institution (DFI) that specializes in investing in businesses in developing countries.

As of today, Norfund has invested in 1,189 businesses in the areas of clean energy, green infrastructure, and finance. Norfund has a total managed asset value of approximately USD 2.87 billion.



# HIGHLIGHTED M&As

## FPT Corporation acquires 20-year-old US technology company



Announcement date	06-11-2023
Acquiree	Cardinal Peak, LLC (Cardinal Peak)
Acquiror	FPT Corporation (FPT)
Target	Cardinal Peak, LLC (Cardinal Peak)
Investment type	Secondary acquisition
Change of ownership's rate	0% → 100%
Value	N/A
<p>Purpose: This transaction will help to improve FPT's competitiveness and service quality in the Americas region in new technology areas. In addition, FPT expects to double its revenue from the consulting and new technology product development service segment in the US market within the next two years.</p>	



Acquiree: Cardinal Peak

Cardinal Peak is a comprehensive technology services provider, offering hardware, embedded software, IoT, cloud computing, and mobile component development services to over 300 companies in the automotive, consumer electronics, healthcare, online content delivery, robotics, security and safety, and defense and aerospace industries.



Acquiror: FPT

FPT is the largest information technology (IT) company in Vietnam, operating in three main areas: technology, telecommunications, and education.

Currently, FPT has nearly 29,000 employees, including over 17,000 IT engineers, programmers, and technology experts; with a network of offices in 22 countries. In 2022, FPT's revenue and net profit reached USD 1.81 billion and USD 267.05 million, respectively.



# HIGHLIGHTED M&As

## Japanese conglomerate Sojitz acquires Vietnamese food distributor New Viet Dairy



Announcement date	17-11-2023
Acquiree	DaiTanViet JSC (New Viet Dairy)
Acquirer	Sojitz Corporation
Target	DaiTanViet JSC (New Viet Dairy)
Investment type	Secondary acquisition
Change of ownership's rate	0% → 100%
Value	N/A
<p>Purpose: Through this merger, Sojitz Corporation continues to diversify its portfolio in Vietnam by integrating New Viet Dairy's expertise into its comprehensive range of activities in the distribution of dairy ingredients and products for the food industry and food service.</p>	



### Acquiree: New Viet Dairy

Founded in 1997, New Viet Dairy is one of the leading dairy ingredient and dairy product distributors for the food industry and services in Vietnam.

In 2022, New Viet Dairy achieved a revenue of 320 million USD.



### Acquirer: Sojitz Corporation

Sojitz is a global trading corporation and one of the earliest Japanese corporation to enter the Vietnamese market in 1986.

By now, Sojitz Corporation has approximately 350 subsidiaries and 140 joint ventures with nearly 20,000 employees worldwide. In 2022, Sojitz Corporation's revenue and net profit reached USD 18.2 billion and USD 817.8 million, respectively



# HIGHLIGHTED M&As

## *Inflow successfully raised USD 2 million*



Announcement date	29-11-2023
Investee	Inflow Co. Ltd. (Inflow)
Investor	AppWorks
Target	Inflow Co. Ltd. (Inflow)
Investment type	Seeding round
Change of ownership's rate	N/A
Value	USD 2 million
<p>Purpose: With this capital, Inflow will invest in product development and research of new supply chain management technologies. Inflow's goal is to reduce the time to bring new designs to market from 45 days to 30 days.</p>	

Investee: Inflow

Inflow is a Vietnamese startup that develops supply chain and manufacturing platform for fashion brands. Inflow has built an AI-powered platform that can display information from inventory forecasting to recommending factories that are suitable for customer production needs based on data evaluation and order management.

Inflow's partner network includes over 150 high-quality factories and suppliers in Vietnam that have passed the verification process.

Investor: AppWorks

Founded in 2009, AppWorks is a leading startup community and venture capital fund from Taiwan. AppWorks' ecosystem includes 532 active startups, generating USD 16.2 billion in revenue and creating 23,490 jobs.

AppWorks manages four venture capital funds with a total managed assets of USD 350 million, focusing on investing in startups from seed to series C.



# HIGHLIGHTED M&As

## M Village successfully raised USD 2.3 million



Announcement date	30-11-2023
Investee	M Village JSC (M Village)
Investor	Vulpes Ventures Genesisia Ventures
Target	M Village JSC (M Village)
Investment type	Fund raising
Change of ownership's rate	N/A
Value	USD 2.3 million
<p>Purpose: With the proceeds from this funding round, M Village will accelerate its plans to expand its co-living model for urban youth.</p>	



Investee: M Village

M Village was founded by Nguyen Hai Ninh in 2021 after he left the position of CEO of The Coffee House chain. Unlike traditional apartment rental models, M Village not only provides short-term and long-term accommodation solutions in airy apartments with beautiful spaces, but also an entire convenient ecosystem of diverse amenities from work, dining, healthcare, community ecology in a friendly environment and connected to each other by technology.



Genesisia Ventures

Investors: Vulpes Ventures, Genesisia Ventures

Vulpes Ventures is a venture capital firm headquartered in Singapore, founded in 2020. Vulpes Ventures specializes in investing in technology startups in Southeast Asia. Genesisia Ventures was founded in 2016 in Tokyo. As of today, Genesisia Ventures manages three funds, focusing on investing in startups in the early stages, from Pre-seed to Pre-series A. Currently, Genesisia Ventures manages a portfolio of assets worth up to USD 215 million.



The background is a photograph of a wooden building under construction, showing various wooden beams and a blue vertical pipe. A semi-transparent hexagonal shape is overlaid on the image, containing the text.

# OTHER TRANSACTIONS



# OTHER TRANSACTIONS

NO.	TARGET	INVESTOR	VALUE	%	NOTE
1	AIG Asia Raw Materials JSC ( AIG)	Marubeni Growth Capital Asia (MGCA)	N/A	N/A	<p>Through the acquisition of a minority stake in AIG, MGCA will continue to focus strongly on the Food, Beverage, and Foodservice sectors in Southeast Asia.</p> <p>MGCA is one of the subsidiaries of Marubeni, one of the largest Japanese general trading and investment corporations headquartered in Tokyo with over 130 branches and offices in 65 countries. MGCA is committed to focusing on capturing growth from the "Next Generation" of consumers in Southeast Asia and the United States.</p>







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## AUXESIA HOLDINGS

### Vietnam

Suite 801, 8<sup>th</sup> Floor, Empire Tower,  
26-28 Ham Nghi, Ben Nghe Ward, District 1,  
Ho Chi Minh City, Vietnam

### Switzerland

Bahnhofstrasse 30 CH-6300 Zug, Switzerland  
+41-79-418-3067

### Singapore

213 Henderson Road, #02-01 Singapore  
+65-9875-4114

Tel: +84 (28) 6680 7246

Email: [info@auxesiaholdings.com](mailto:info@auxesiaholdings.com)

Please contact our professional advisors at Auxesia Holdings for assistance with capital fund raising, M&A execution, market research, review and restructuring business as well as other financial issues you may have during your business operation.

For more information, please visit our M&A Newsletter and contact us.