



Newsletter

M&A

October 2022



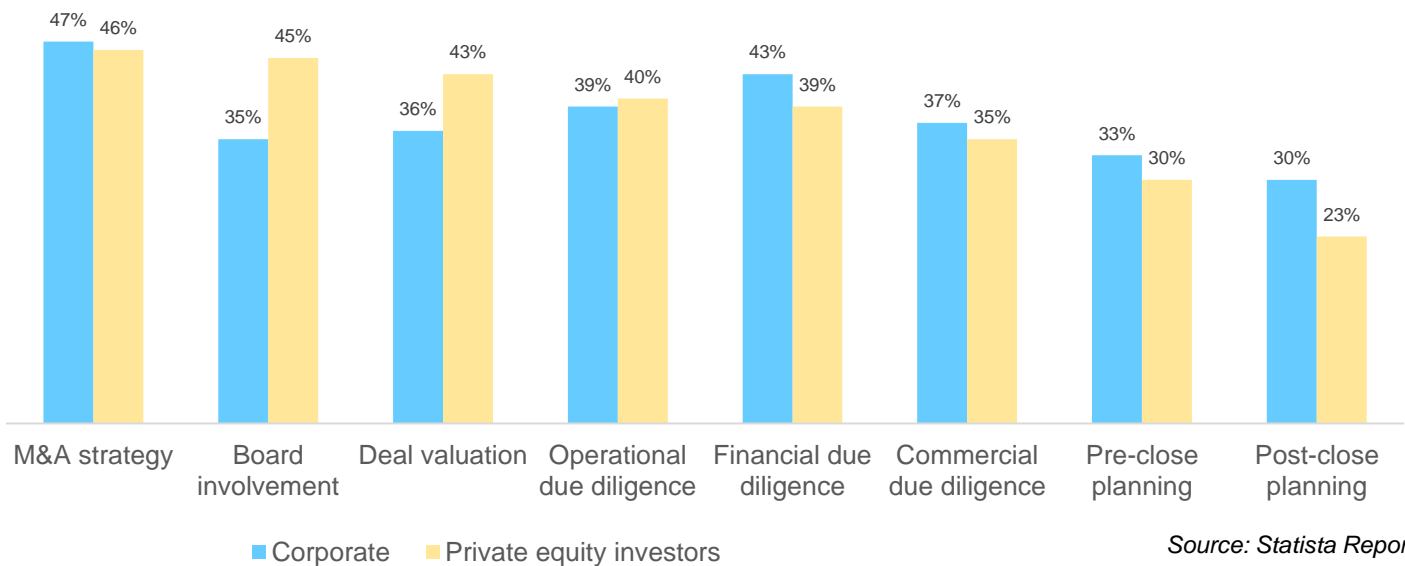
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According to Statista's survey report conducted in 2021, there are 8 most important factors leading to a successful M&A transaction of a business, including a detailed M&A strategy, the participation of members of the Board of Directors ("BOD"), a reasonable business valuation meeting market transactions, appraisal of legal and operational records; appraisal of financial - accounting - tax reports; appraisal of commercial activities of the business; plans before completing the transaction including negotiation on terms of share transfer contracts, capital contribution, cooperation agreements between shareholders, corporate charter, etc. and plans after completing the transaction such as handing over or taking over the business activities of new shareholders, etc.



For private equity investors, the key factors for a successful M&A deal are M&A strategies, the participation of the company's BOD, and the business valuation with 46%, 45%, and 43% agreed, respectively. The participation of the BOD in the company's M&A strategy is highly appreciated because investors want to avoid any risks of conflicts or disputes between members of the BOD, affecting the success of the transaction. In addition, a reasonable transaction price is also an important factor demonstrating the thorough preparation and multi-dimensional views of business owners on their business performance as well as future potential that also reflect the intense preparation of the business when working with investors.

The planning, execution, and post-transaction phases of an M&A transaction are all essential to its success. A thorough M&A plan will boost the deal's probability of success. To make a detailed M&A plan that is suited to the business's situation and resources, as well as the nature of the transaction, the business needs the assistance of experienced individuals or experts who can guide and devise a plan to successfully execute M&A transactions, as well as accompany and support the business throughout the M&A transaction process.

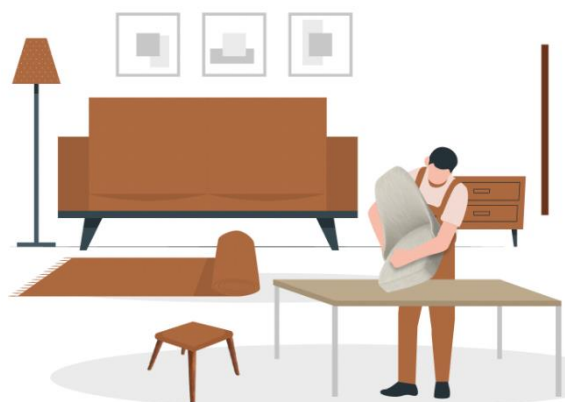


HIGHLIGHTED M&A TRANSACTIONS



BAYA FURNITURE IS SILENTLY ACQUIRED BY NOVAGROUP

SUMMARY



Announcement date	06-10-2022
Buyer/Investor	Nova Capital Partners
Seller/Investee	Baya Furniture JSC
Transaction type	N/A
Acquired stake	N/A
Value	N/A
Purpose: Expanding ecological system of NovaGroup	

Biến ngôi nhà thành tổ ấm

Seller: Baya Furniture JSC

Baya, formerly known as Uma furniture brand, is now operated by Baya Furniture JSC. Baya has 11 stores across Vietnam. Particularly in the Southern, there are 2 Baya stores located in NovaWorld Phan Thiet (Binh Thuan) and NovaWorld Ho Tram (Ba Ria - Vung Tau). The product range of this system is quite diverse, from wooden furniture, sofas, relaxing chairs to decorations, cloth utensils, kitchen tools... Depending on the function, the price of Baya's products covers many segments, from a few hundred thousand to several tens of millions VND.

Buyer: Nova Capital Partners

Nova Capital Partners focuses on M&A, post-M&A management and business consulting, and business strategy alignment for NovaGroup.

Information about the deal has not been officially announced; however, on the Nova Capital Partners website, a new brand name, Baya, appeared on the website.

MARATHON'S ONLINE LEARNING PLATFORM RECEIVES FUNDING FROM VULCAN CAPITAL

SUMMARY

Announcement date	12-10-2022
Buyer/Investor	Vulcan Capital
Seller/Investee	Marathon Education
Transaction type	Seed funding
Acquired stake	N/A
Value	US\$ 5.1 million

Purpose: to increase focus on product development by 2023, launch coding courses, and improve its current technology offerings, to enhance student learning outcomes both inside and outside of the classroom. At the same time, Marathon Education will also seek to expand “online to offline” experience centers beyond Hanoi and Ho Chi Minh City.



Investee: Marathon Education



Marathon Education was founded in 2021 by co-founders Pham Duc and Tran Tung. This online education platform is geared towards K-12 audiences (kindergarten through 12th grade students) in Vietnam by offering face-to-face interactive classes in small class sizes (from 10 to 15 students) or 1:1 classes.

Currently, this startup has developed a nationwide network of personal tutors comprising 30 educational consultants with an average of 20 years of teaching experience to provide high quality exam preparation classes for learners. Currently, the platform allows access to all subjects according to the regular curriculum of the Ministry of Education and Training.



Investor: Vulcan Capital

The investment fund was founded by Microsoft co-founder Paul G Allen and has headquarter in New York. Investment appetite of Vulcan is companies in the fields of energy, new technology, etc., mainly in the United States, Nigeria, Bangladesh and Iraq with typical investments from 10 - 300 million USD.

M&A HUNG VUONG DEVELOPER, HTP INVESTMENT JSC COMPLETE THE REAL ESTATE ECOSYSTEM

SUMMARY



Announcement date	12-10-2022
Buyer/Investor	HTP Investment JSC
Seller/Investee	Non-disclosed strategic shareholders
Target	Hung Vuong Developer JSC
Transaction type	Stake acquisition
Acquired stake	62,75%
Value	N/A
Purpose: completing M&A helps HTP own many members in the real estate, trade and service business ecosystem. As a result, businesses have the opportunity to penetrate into a vibrant real estate market and being the owner of many projects that Hung Vuong Developer is holding.	



Target: Hung Vuong Developer JSC

Hung Vuong Developer is the parent company of Danh Viet Trading and Service JSC with 61.9% ownership. This investor is the backer of the well-known Venezia Beach luxury marine eco-tourism project. Additionally, Hung Vuong Developer controls a number of large land funds and real estate projects in Binh Chanh, Binh Thuan and Ba Ria - Vung Tau. The successful M&A is a highlight for Hung Vuong Developer to have easier access to leading financial institutions and improve market valuation.



Buyer: HTP Investment JSC

HTP Investment JSC was established in April 1996, formerly known as Hoa Phat Textbook Printing Enterprise under Vietnam Education Publishing House Limited Company - Ministry of Education and Training. The company was equitized in 2004 and approved to list on HNX. According to the plan, the company's goal is to acquire 99% of shares of Hung Vuong Developer and 99% of shares of Bach Phu Thinh - another real estate company owned by Korean Deawon Group. HTP has strong financial potential which guaranteed by E&Y for data transparency, so the above goals of HTP are completely feasible.

FPT JOINS LTS, INC. AS A STRATEGIC SHAREHOLDER

SUMMARY



Announcement date	14-10-2022
Buyer/Investor	FPT Corporation
Seller/Investee	LTS, Inc.
Transaction type	Collaborative Investment
Acquired stake	< 49%
Value	N/A

Purpose: to explore into the finest possibilities in the area of technology consulting and services with the intention of obtaining deals worth tens of millions of dollars in the Japanese and international markets.

Seller: LTS, Inc



LTS, Inc. was established in 2002, belongs to Top 20 leading digital transformation consulting and service companies in Japan. The company supports planning, designing and structuring ERP-like systems for businesses.

LTS, Inc. and FPT will jointly create synergistic values to promote comprehensive digital transformation services to international customers while expanding and targeting new customers.

Buyer: FPT Corporation



The transaction was carried out through a subsidiary in Japan, which was founded in 2005 and currently employs 2,000 people. By 2025, FPT Japan hopes to have 4,000 workers, rank among the top 20 technological service providers in Japan, and revenue target of \$1 billion in 2027.

Previously, in 2019, FPT Japan and LTS, Inc. cooperated to create the consulting-focused joint venture company FPT Consulting Japan. This company wants to improve its business consulting and digital transformation capabilities, promote the use of today's leading technological solutions like SAP, Salesforce,..., as well as improve its ability to offer management services and run technology systems and business operations for corporations.

FUNDIIN RECEIVES US\$ 5 MILLION IN SERIES A FUNDING ROUND

SUMMARY



BUY NOW – PAY LATER

Announcement date	18-10-2022
Buyer/Investor	ThinkZone Ventures & Trihill Capital
Seller/Investee	Fundiin
Transaction type	Series A
Acquired stake	N/A
Value	US\$ 5 million
Purpose: to accelerate growth, spend money creating new items, and staff training before entering Indonesia in the following series B.	



Investee: Fundiin

Fundiin is a business that specializes in Buy Now Pay Later solutions in Vietnam. Through enabling customers to pre-pay and pay after an easy and convenient payment experience, smart and efficient personal financial management, it helps retail partners and e-commerce sites improve sales by up to 30%. Fundiin has cooperated with more than 300 partners which have 4000 business sites, including numerous major companies such as Mobile World JSC, Điện Máy Xanh, Unilever, Galaxy Play, Reebok, Paula's Choice, Pigeon, Vua Nệm, Giant International, v.v...



Investor: ThinkZone Ventures & Trihill Capital

ThinkZone is a Hanoi-based venture capital fund specializing in investing in technology startups from pre-seed stage to Series A. Currently, the largest domestic investment fund ThinkZone Fund II is owned by ThinkZone Ventures and operates with the purpose of providing startup companies in a variety of industries with development resources, including manufacturing, agriculture, and food and beverage.

Trihill Capital is a Singaporean investment fund that focuses on businesses in Southeast Asia that have distinctive and new business models.

FLC TRANSFERS BAMBOO AIRWAYS BUILDING TO GATEWAY HANOI FOR AROUND 2,000 BILLION VND



SUMMARY

Announcement date	20-10-2022
Buyer/Investor	Gateway Hanoi JSC
Seller/Investee	FLC Group
Target	Bamboo Airways Building
Transaction type	Real-estate transferring
Value	~ 2000 billion VND
Purpose: selling assets to cover the company's liabilities	



Target: Bamboo Airways Building

The building at 265 Cau Giay opened for business in 2019. It has 42 floors, including 4 basements, and a total floor space of more than 101,000m². The collateral specifically refers to the business floor created in the future from 3 basements, 6 levels of commercial centers (from floors 1 to 6), and office buildings (from floors 7 to 17 and from 21 to 38).



Seller: FLC Group

Since 2020, FLC Group has transferred OCB Bank ownership of the Bamboo Airways Building in order to pay off debts. The FLC Group's board of directors approved the purchase of the building from OCB by FLC and FLCHomes at the end of June this year. After completing the acquisition of Bamboo Airways Building, FLC Group and FLCHomes have decided to sell this building to Gateway Hanoi Joint Stock Company.



Buyer: Gateway Hanoi JSC

Established from August 2022, headquartered in Ben Nghe Ward, District 1, Ho Chi Minh City. The company has borrowed 1659 billion VND from OCB Bank to cover the deal. Gateway Hanoi is a subsidiary of Binh An House Investment JSC - a company operating in the field of real estate since 2014 with a huge debt structure. The deal of building is taking place and Gateway Hanoi Joint Stock Company has completed the deposit procedure.

KIDO ABSOLUTELY OWNS IN DAU TUONG AN

SUMMARY



Announcement date	28-10-2022
Buyer/Investor	Kido Group
Seller/Investee	Existing shareholders
Target	TuongAn Vegetable Oil JSC
Transaction type	Stake acquisition
Acquired stake	11,54%
Value	N/A
Purpose: Absolute ownership at TuongAn Vegetable Oil JSC	

Target: TuongAn Vegetable Oil JSC

The Tuong An Vegetable Oil JSC (TAC), which was founded in 1977, is a renowned industry leader in the production and trade of oils and fats derived from plants.

Before the agreement, Kido (20.9 million shares) and Vocarimex (9 million shares) were TAC's largest shareholders which together accounted for 88.46% of the voting shares. In specifically, Kido owns all of the shares listed above (directly and indirectly) because it is the parent business of Vocarimex. TAC delisted in May as a result of its ineligibility to be a public corporation. According to Kido's ambition to fully acquire Dau Tuong An, this transaction aims to protect stockholders' interests as promised.



Buyer: Kido Group

Since its founding in 1993, KIDO Group, originally known as Kinh Do Group, has grown to become one of Vietnam's top food businesses. Cakes, breads, mooncakes, and biscuits are just a few of the confectionary products that KIDO has developed and maintained its top spot in. Aiming to grow and develop responsibly, KIDO Group underwent an official transformation in 2015, expanding its presence in the "Food & Spices" industry through a number of well-known M&A deals with Wall's ice cream, Vocarimex, and other companies.





OTHER TRANSACTIONS



PIKTINA APP SUCCESSFULLY RAISED US\$ 1 MILLION FROM TOUCHSTONE PARTNERS



SUMMARY

Announcement date	11-10-2022
Buyer/Investor	Touchstone Partners
Seller/Investee	Piktina
Transaction type	Seed funding
Value	US\$ 1 Million
Purpose: accelerate product development, business model testing, and user growth.	



Investee: Piktina

Founded in June 2022, Piktina connects second-hand buyers and sellers, targeting all individuals who want to liquidate second-hand clothing and businesses specializing in used fashion items. The company currently charges a 20% commission on each successful trade, plus additional validation costs if required. Startup Piktina also targets Gen Z customers in Vietnam. It is estimated that the size of the used fashion product market in Vietnam will reach 5 billion USD by 2026.



Investor: Touchstone Partners

The \$50 million venture capital fund was established with the intention of funding pre-seed to series A startups, with investment money ranging from \$ 200,000 to several million USD depending on the capabilities of the company. Pavilion Capital, Vulcan Capital, and other investors are shareholders in Touchstone.





Please contact our professional advisors at Auxesia Vietnam 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 as follows:

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