



Newsletter

M&A

September 2022

CONTENT

1. MARKET OVERVIEW	3
2. HIGHLIGHTED M&A TRANSACTIONS	4
3. OTHER TRANSACTIONS	10



M&A – IS PRICE THE UNIQUE FACTOR

M&A are crucial to helping businesses expand in size or territory and assisting them in gaining competitive advantages. In an M&A environment, value isn't defined by the price of a transaction, but by what both parties can attain through a collaborative strategy that has been considered and accepted. According to PWC, there was a rapid increase in values of worldwide M&A transactions during 2020 and 2021. The number of deals valued from US\$ 1 billion to US\$ 5 billion in 2020 was 241 and increased to 430 in 2021. The deals valued over US\$ 5 billion rose from 54 in 2020 to 99 in 2021. Besides, considering that the main aspect of an M&A transaction is to create value for the company, we also need to consider how capital is invested or transferred, and the cooperation after the transaction between the parties. Therefore, in order to ensure a smooth and cost-effective transfer, other important factors apart from the transfer price should be considered as follows:

Planning M&A

For a successful M&A transaction, the company needs to make plans to conduct the transaction including time, personnel assistants, joining partners, records and documents, target potential investors, etc. An M&A transaction is a lengthy process that can take 6 months in average or longer, depending on the parties and the understanding between them.

Trust and communications between investors

Selecting the right investor for the transaction is essential in an M&A transaction because it would be easier for the parties to achieve common goals of both sides. Trust between the parties during the transaction process is a fundamental factor for a successful deal. When both parties have the same goals and objectives, for the common benefits, the cooperation of the parties will quickly achieve many achievements and help the companies increase their values rapidly.



Due diligence

A detailed, complete and qualified due diligence report is crucial. This report offers assessments on the company's performance not only in financial aspects but also in legal, administrative, commercial, technical, technological, etc. aspects of the company. This helps the investor avoid arising risks or potential debts after the transaction is completed.

The right M&A structure

One of the important stages in an M&A transaction is how the transaction structure is designed to please the parties involved. It is significant that when structuring a transaction, an appropriate configuration for agreements has to be built based on taking into account the most important goals of both sides. A proper agreement structure will lead to a successful M&A. Businesses can consider any types of transaction such as selling assets, transferring parts or all of their business operation, transferring parts or all of the company's shares, etc.

M&A is recognized as an important strategy in the development of an organization. The advantage of M&A is to grow and support the long-term development strategy of companies. For an efficient and successful M&A transaction, it depends greatly on the planning and spirit of cooperation of the parties involved, the flexibility in the negotiation time, their understanding of the implementation and progress of the M&A transaction. Therefore, the parties need to have thorough preparation not only in time but also in human resources for efficiently accompanying and supporting them throughout the implementation process.



HIGHLIGHTED M&A TRANSACTIONS



STARTUP EDUPIA RECEIVED US\$ 14 MILLION VIA SERIES A



SUMMARY

Announcement date	08-09-2022
Buyer/Investor	Jungle Ventures, eWTP Capital, ThinkZone Ventures
Seller/Investee	Educa Corporation (EDUPIA)
Transaction type	Series A
Acquired stake	N/A
Value	US\$ 14 M
Purposes: Investing in technology and product, recruiting key personnel for the goal of entering Southeast Asian markets.	

Seller/Investee: Educa Corporation (Owner of the EDUPIA platform)

Edupia is an English self-study platform was founded in 2018. Edupia aims to build products for student from kindergarten through 12th grade and expand into other subjects such as math, programming. Edupia has being been a leading brand in the field of Ed-tech with more than 5 million users in Vietnam, Indonesia, Thailand & Myanmar, 90% of whom are domestic users. By 2025, Edupia hopes to quadruple its present user base to 2 million paying customers.

The deal of EDUPIA has been believed that the new highlight for the fundraising industry in general and the Edtech market in particular. Specially, raising US\$ 14 million in Series A - a venture capital round with many strict conditions, which few business could be received.



Buyer/Investor: Jungle Ventures and other capitals

The round was led by venture capital fund Jungle Ventures, along with Alibaba-backed eWTP Capital and Vietnam-based ThinkZone Ventures. Jungle Ventures is a Singapore-based venture capital established in 2012, focusing on investing in Southeast Asia and India. The fund currently manages more than 1 billion USD in assets from investors such as Temasek, IFC, FMO, Mizuho Bank...

CVC CAPITAL PARTNERS ACQUIRED 60% STAKE IN PHUONG CHAU HOSPITAL

SUMMARY



Announcement date	09-09-2022
Buyer/Investor	CVC Capital Partners
Seller/Investee	Nguyen Thi Ngoc Ho (Founding shareholder of Phuong Chau JSC)
Transaction type	Stake acquisition
Acquired stake	60%
Value	N/A
Purposes: The second deal of CVC into Vietnam after ACB, expanding and developing the health sector in the southwestern provinces	

Target: Phuong Chau JSC

PHƯƠNG CHÂU



Phuong Chau International Hospital is an international hospital system in the southwestern provinces specializing in maternal and newborn care (paediatrics and obstetrics). Phuong Chau Joint Stock Company is the parent company operating the hospital system owned by Doctor Nguyen Thi Ngoc Ho (88.9% share ownership) and other Vietnamese individual shareholders. Currently, Phuong Chau JSC has 02 subsidiaries, namely Phuong Chau Soc Trang Limited Company, Phuong Chau Pharmaceutical and Medical Equipment Limited Company and three Phuong Chau Hospitals Chau in Can Tho, Sa Dec and Soc Trang.

Buyer/Investor: CVC Capital Partners

The Luxembourg-based investment fund operates in the field of investment advice and trusts from a number of funds and platforms that invest in a variety of industries mainly in Europe, the United States, and Asia-Pacific, with approximately US\$133 billion in assets under management (2022).

The acquisition was made by Viet Care Company Pte. Ltd is a subsidiary of Viet Care Holding Ltd (Singapore) operating in the field of capital investment and is most controlled by CVC Capital Partners SICAV-FIS S.A (referred to as CVC). After completing the expected transaction, Viet Care Company Pte. Ltd. Will be a major shareholder of Phuong Chau Company with a share ownership rate of 60%.

CVC
Capital Partners

COOLMATE SUCCESSFULLY RAISED \$2.3 MILLION FROM GSR VENTURES AND DO VENTURES

SUMMARY



Announcement date	05-09-2022
Buyer/Investor	GSR Ventures & Do Ventures
Seller/Investee	Coolmate
Transaction type	Expanding Series A
Acquired stake	N/A
Value	US\$ 2,3 M

Purposes: Complete the supply chain for the apparel product line from sourcing new materials and production technologies to working directly with larger-scale fabric, garment and material suppliers and more diverse.

Seller/Investee: Coolmate

Founded in early 2019, Coolmate is a men's clothing sales platform, without a physical store, with products being introduced as 100% made in Vietnam. This is a D2C e-commerce model (providing products directly via online channels) in order to cut distribution costs in traditional retail, and have the advantage of being able to connect directly with customers. After three years of operation, from a company with just over 2,000 orders per month, Coolmate has processed more than 1,000 orders per day now, more than 50% of which were orders come from old customers. Triple revenue growth per year, Coolmate is on track to hit the \$19 million revenue mark in 2022.

GSR Ventures is a reputable investment fund has extensive experience leading early stage startups to become unicorns. Coolmate expands the Series A round to have the opportunity to accompany with GSR, gain valuable knowledge in supply chain construction, thereby bringing Coolmate to a breakthrough development stage.



Buyer/Investor: GSR Ventures & Do Ventures

Founded in 2004, GSR Ventures is one of the most successful early-stage venture capital funds in the world, with over \$3 billion in size and offices in Singapore, Silicon Valley, and Beijing. GSR Ventures focuses on early-stage technology companies capable of developing disruptive enterprise software, consumer platforms, and health technologies.

Meanwhile, Do Ventures is a \$50 million early-stage venture capital fund that attends as a strategic partner for startups.

GSR Ventures



STARTUP KING CRAB RECEIVED INVESTMENT FROM BEACON FUND

SUMMARY



Announcement date	14-09-2022
Buyer/Investor	Beacon Fund
Seller/Investee	Vua Cua
Transaction type	Raising capital
Acquired stake	N/A
Value	US\$ 2,3 M
Purposes: Create a stepping stone for Vua Cua to come closer with the ambition to expand nationwide and in 2022 - 2023; at the same time, helping Vua Cua go faster and further on the path of Vietnamese brands to compete with international cuisine.	

Seller/Investee: Vua Cua

Founded in 2016, Vua Cua is a system of fresh crab and seafood restaurants. After 6 years of establishment, Vua Cua restaurant chain has 9 branches, concentrated in Ho Chi Minh City, there is only one branch located in Nha Trang, outside this area. This brand used to bring its products to a supermarket chain in Seattle, USA. In addition, the startup wants to promote the distribution of exclusive sauce products sold at Vietnamese markets, large e-commerce sites such as Amazon and towards large supermarket chains in the US such as Costco, etc.

Vua Cua is currently promoting the development of the franchise system of Vua Cua Bike, Vua Cua Express with the goal of reaching a total of 30-50 stores in 2022, 100 stores by 2023 and thriving in terms of sales manufactures canned sauce products and retails them. Along with expanding market share, Vua Cua also focuses on improving food quality and service quality to enhance the experience and ensure absolute peace of mind for customers.



Buyer/Investor: Beacon Fund

An investment fund from Singapore, focusing on supporting women-led small and medium-sized businesses in the Southeast Asia



HANA SECURITIES (KOREA) OFFICIALLY BECAME A STRATEGIC SHAREHOLDER OF BSC

SUMMARY

Announcement date	26-09-2022
Buyer/Investor	Hana Securities (HSC)
Seller/Investee	BIDV
Target	BIDV Securities Joint Stock Company (BSC)
Transaction type	Collaborative Investment
Acquired stake	35%
Value	~ 2700 billion VND
<p>Purposes: Becoming a strategic shareholder of BSC, together with the largest shareholder being BIDV Bank, HSC will accompany and support BSC in implementing a number of content on strategy, asset management, and risk management, etc.</p>	



Target: BIDV Securities Joint Stock Company (BSC)

BIDV Securities Joint Stock Company was established on November 26, 1999, is one of the first two securities companies operating on the Vietnamese market. The company is headquartered in Hanoi and the largest shareholder is BIDV Bank holding 79.94% of the shares. The main business activities of BSC include securities brokerage, underwriting, investment consulting, derivatives trading, proprietary trading, and investment banking.

Buyer/Investor: Hana Securities (HSC)

Hana Securities Limited Company, formerly known as Hana Financial Investment Limited Company (HFI) (adjusted for business registration, changed its name from July 12, 2022) is a member of Hana Financial Group - one of the three largest financial groups in Korea with a network of 208 countries in 25 regions around the world. HSC currently provides a full range of services including retail, wholesale, investment banking and securities trading services to more than 1,4 million customers. HSC has a network of 55 branches in Korea and two overseas subsidiaries (China, Singapore), with total assets of 52,8 billion USD and total equity of 4,5 billion USD (30/6/2022)



A vertical yellow bar on the left side of the page.



OTHER TRANSACTIONS



OTHER TRANSACTIONS

No.	TARGET	INVESTOR	VALUE	NOTES
1	 Tititada	 Golden Gate Ventures Golden Gate Ventures	US\$ 1.5 M	<p>Tititada is a technology investment application launched in 2022, allowing users to invest in retail shares of listed companies with capital from only 0.4 USD (10,000 VND). Integrated right inside the application, there is a library of knowledge about investing and personal financial management, which useful market update and help people who have never participated in the stock market to start easily invest.</p> <p>Tititada raised capital before the product launched, also marking the largest-scale pre-seed of a venture capital into a startup in Vietnam.</p>
2	 BluSaigon	 Fibo Capital	N/A	<p>BluSaigon is a start-up brand handmade pearl pen. The BLUSAIGON inlaid pens are positioned as a national gift of Vietnam, so that Vietnamese people can proudly give them to international friends and vice versa, foreigners coming to Vietnam will choose BLUSAIGON pens as a meaningful souvenirs.</p> <p>BluSaigon caught the eye of Fibo Capital Vietnam by winning the runner-up prize of the Phoenix Entrepreneur program - a practical fundraising program for start-ups.</p>
3	 Vĩnh An Đắk Nông Joint Stock Company	 International Development & Investment Corporation	N/A	<p>Vinh An Dak Nong JSC was established in 2004. The main business is growing rubber trees, in addition, producing fertilizers, nitrogen compounds, processing and preserving vegetables and fruits, and wholesale. food, etc.</p> <p>IDI received the transfer of 51% capital of Vinh An Dak Nong Joint Stock Company.</p> <p>The transfer transaction is expected to take place from September 15 to October 31, 2022 and Vinh An Dak Nong JSC will be the first subsidiary of IDI.</p>

OTHER TRANSACTIONS

No.	TARGET	INVESTOR	VALUE	NOTES
4	 Kobiton Kobiton	  Panoramic Ventures và Fulcrum Equity Partners	US\$ 12 M	<p>Founded in 2016 by a team of Vietnamese leaders and engineers of KMS Technology, Kobiton is a specialized software testing platform on mobile devices, using real devices and automation solutions, supporting mobile devices, helping customers test apps quickly, providing a perfect mobile experience across multiple devices, operating systems and user actions. Kobiton owns a diversified portfolio of customers from IBM, Coca Cola to Uber. Currently, Kobiton has more than 120 employees working in Vietnam and Atlanta, USA.</p> <p>Kobiton has reached the milestone of more than 50,000 users globally.</p>
5	  Cawells	 NutiFood	N/A	<p>Nutifood has officially announced that they have completed the procedure to take control of Cawells - a reputable dietary supplement company in Sweden.</p> <p>Purpose: bring Vietnamese brands to conquer the world and acquire foreign brands under their control to serve the health of the Vietnamese and global community. An important step in the strategy to become the leading nutrition corporation in Vietnam and the region.</p> <p>Nutifood Food in any is a Vietnamese enterprise the field of nutritional foods, established on March 29, 2000. NutiFood has become a leading enterprise in Vietnam successfully implementing the strategy "Small fish eat big fish" generating revenue increasing by more than 250% annually.</p>



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:

AUXESIA HOLDINGS

Vietnam

8th Floor, Room 801, Empire Building, 26-28 Ham Nghi, Ben Nghe Ward, District 1, Ho Chi Minh City.

Switzerland

Bahnhofstrasse 30 CH-6300 Zug, Switzerland

+41-79-418-3067

Singapore

213 Henderson Road, #02-01 Singapore

+65-9875-4114

Email: info@auxesiaholdings.com

Website: www.auxesiaholdings.com

