



## Highlight

*MoMo becomes a unicorn after its Series E fundraising round*

# VIETNAM BUSINESS REVIEW

Vol 50, Dec 22<sup>nd</sup> 2021

### What's in it today?



#### FINANCE

The valuation of the Vietnamese banking industry is higher than regional peers

Vietnamese government urged to reduce VAT to stimulate economy



#### INVESTMENT

MoMo becomes a unicorn after its Series E fundraising round

Vietnam's M&A market attracted over US\$8.8 billion



#### RETAIL

Rural groceries change business strategy as they compete with foreign supermarkets



#### E-COMMERCE

Vietnam boosts e-commerce tax collection

B2B shopping app taps Vietnam's e-commerce potential



#### ENERGY

Japan-based JFE Engineering Corporation to participate in a large-scale waste-to-energy project

Vietnam to develop 5,000 MW of offshore wind power by 2030



#### LOGISTICS

Vietnam to develop its own logistics services to Europe and America

## FINANCE

### The valuation of the Vietnamese banking industry is higher than regional peers

The valuation of the Vietnamese banking industry is relatively high compared to other regional countries, according to Military Bank Securities Company (MBS).



News portal cafe.vn quoted a report on the banking industry released recently by MBS, showing that the price to earnings ratio (P/E) of the Vietnamese banking industry by the end of last month was 13.02, significantly higher than other regional countries, such as Indonesia (11.9), Singapore (11.8), Thailand (9.3), China (4.7) and South Korea (3.9).

The price to book value ratio (P/B) of the Vietnamese banking industry is also considerably higher than the P/B of the countries listed by MBS, at 2.26 compared with 0.90 of Indonesia, 1.10 of Singapore, 0.70 of Thailand, 0.40 of China and 0.40 of South Korea.

With positive news about the charter capital increase of Vietnamese banks, MBS believes the valuation ratio of the Vietnamese banking industry will become more attractive.

According to MBS, in addition to promoting products and services, the capital increase will also help banks enhance strength and competitiveness besides better risk management.

By the end of last year, the Vietnamese banking system was supplemented with more than VND33 trillion of charter capital, helping the country have 18 banks recording charter capital of more than VND10 trillion each.

Many banks have continued big plans to increase capital this year. VietinBank is currently the leader in terms of charter capital with VND48.05 trillion, followed by BIDV, Vietcombank, Techcombank and Agribank.

According to MBS, with the State Bank of Vietnam (SBV)'s requirement on the capital adequacy ratio (CAR), domestic commercial banks will have to continuously take measures to increase their charter capital next year. Under the SBV's regulation, by January 1, 2023, banks' CAR must meet the Basel II standards prescribed in Circular 41/2016/TT-NHNN. Up to now, 16 out of 35 banks have met the CAR requirements according to Circular 41.

Besides meeting the SBV's CAR requirement, the capital hike will also contribute to strengthening the financial capacity for banks and increasing banks' medium- and long-term capital to expand business operations when the ratio of short-term funds used for medium- and long-term loans is also tightened by the SBV.

Therefore, MBS forecast the race to increase capital of banks will continue strongly in 2022 to help banks further expand their business operations, enhance governance and financial capacity, improve asset quality and increase profitability in association with risk management.

Related to lending, as credit demand is increasing after the economy reopened in the last quarter of 2021, MBS expected the banking industry to achieve a credit growth of about 13 per cent in 2021, equivalent to the growth rates in the previous years. VNS

[Back to top](#)

## Vietnamese government urged to reduce VAT to stimulate economy

---

The world economy is speeding up while Vietnam's growth is slowing down. Economists believe that the VAT (value added tax) should be reduced to stimulate demand, because it could result in immediate benefits.

Small and medium sized enterprises in Vietnam account for 98 percent of total enterprises, making up 40 percent of GDP every year with 5 million jobs. They desperately need money and support to maintain operation.

Dau Anh Tuan from Vietnam Chamber of Commerce and Industry (VCCI) said the government programs aiming to help enterprises have been poorly executed and organized.

A quick survey by VCCI on 500 enterprises in August 2021 found that most support packages are ineffective and some of them are not feasible.

Regarding the tax support package (delay of tax payment and reduction of corporate income tax (CIT), personal income tax (PIT), VAT and other kinds of taxes and fees), only 35.3 percent of enterprises said the package was accessible. The high percentage of businesses unable to access the package reflects problems in implementation.

Of these enterprises, only 15.69 percent said it was easy to access the packages, while nearly 20 percent said it was 'difficult' and 'very difficult'.

Only 9.3 percent of them said the support packages could satisfy their requirements, while 21.57 percent said the packages could partially satisfy them and 10.46 percent said 'very little'.

Asked about the impact of the support packages on their operation, more than 24 percent of enterprises said the impact was at a 'medium level', while 7.84 percent said 'low level' and only 3.27 percent said 'high level'.

Vu Tien Loc, Chair of the Vietnam International Arbitration Center (VIAC), said that tax remission, especially Corporate Income Tax, doesn't have much significance, because enterprises don't have to pay CIT if they take a loss. The number of beneficiaries from the CIT reduction policy is not high.

He said that a VAT reduction would have an impact on a large scale. This would help stimulate consumption, helping enterprises overcome difficulties.

Jay Roop from the Asian Development Bank (ADB) said Thailand and Vietnam have a common characteristic in that 98 percent of enterprises are small and medium enterprises (SMEs) and create 40 percent of annual GDP. These are the most vulnerable in the pandemic. The Thai Government has applied solutions to support enterprises, including a VAT reduction and a co-payment program.

The program in Thailand has helped to stimulate demand, boosting sales and improving business revenue.

Reducing taxes

Tuan from VCCI said VCCI has strongly suggested a VAT reduction. The Government reduced the VAT by 30 percent for businesses in fields hardest hit by the pandemic (tourism, transportation).

The support has been useful, but the number of beneficiaries remains modest. For tourism firms with zero revenue, the 30 percent reduction does not have much significance.

He said the VAT should be cut by 2 percent, and on a large scale, in all business fields. The solution would bring many benefits and is easily implemented.

“As both enterprises and people can enjoy preferential taxes, both demand and supply will be encouraged,” he explained.

The World Bank (WB), in its Vietnam’s macro-economy report in December, also recommended that with the current fiscal space and the difficulties recognized, the Government should consider measures related to budget collections to support domestic demand. This could be a VAT reduction in 2022, which would support private consumption.

James Villafuerte, from ADB, stressed that in current difficult conditions, businesses need capital and support to maintain their operations. Along with monetary policies, the Government should cut taxes to stimulate demand.

Tuan from VCCI said many other countries launched big bailouts at an early stage. The world’s economy is speeding up, while Vietnam’s GDP is slowing down. Vietnam needs solutions to promptly bring direct benefits to people and businesses. Reducing the VAT is a feasible solution.

Nguyen Minh Cuong, Chief Economist at ADB in Vietnam, said the time to implement support packages for economic recovery still exists, but there isn’t much time left. He stressed that it will be too late if Vietnam begins a bailout package when other countries begin their recovery period.

Vietnam’s GDP is predicted to grow by 2 percent this year, lower than the targeted 6.5 percent. Vietnamnet

[Back to top](#)

## E-COMMERCE

### Vietnam boosts e-commerce tax collection

Tax revenue from cross-border e-commerce activities reached more than VND1 trillion (US\$43.5 million) in the first nine months of this year.



The General Department of Taxation said about 14 large corporations and technology companies in the world and eight cross-border e-commerce websites operating with income in Vietnam fulfilled their tax obligations through Vietnamese organisations and individuals.

Tax revenue from Vietnamese organisations that have signed online advertising contracts with foreign organisations that have not established legal entities in Vietnam such as Google, Youtube or Facebook was estimated at VND4.1 trillion from 2018 to the end of September this year. Of which, Facebook paid VND1.56 trillion; Google VND1.53 trillion; and Microsoft VND533 billion.

Tax revenue from cross-border e-commerce activities reached about VND1.14 trillion last year. That of the first nine months of this year reached about VND1.01 trillion, equaling 88.95 per cent of last year. The General Department of Taxation has issued many documents to guide foreign suppliers providing cross-border services. Of these, Netflix has declared and paid taxes in accordance with Vietnamese tax law.

The General Department of Taxation is continuing to issue documents to request these companies to fulfil their tax declarations and payment obligations in accordance with Vietnamese law. Tax authorities will co-ordinate with relevant State management agencies, commercial banks and tax authorities of other countries to implement tax management measures for overseas suppliers.

In the past two years, amid the COVID-19 pandemic, forms of online commerce, advertising, and shopping experienced strong growth. Experts in the financial and economic fields said that during the pandemic, while most economic sectors were negatively affected, the digital economy and e-commerce are some of the few industries to see growth, even impressive growth. Experts say that the tax potential of enterprises operating across borders is quite large.

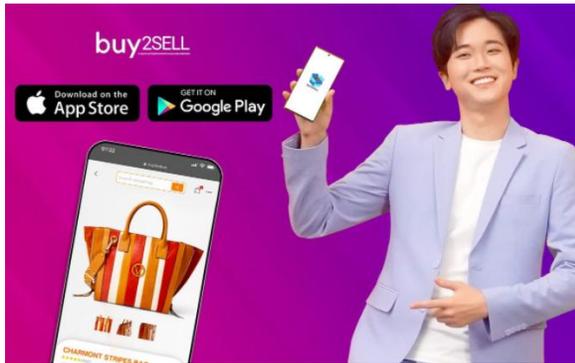
It is necessary to continue to strengthen the review of non-resident e-commerce transactions in Vietnam, thereby building a tax management mechanism in accordance with international practices, combating the loss of tax revenue from cross-border transactions. In particular, experts also recommended continuing to research, develop and issue sanctions to prevent taxpayers from evading tax obligations. It is also a must to ensure effective and tight management of tax sources arising in the field of e-commerce. VNS

[Back to top](#)

## B2B shopping app taps Vietnam's e-commerce potential

The ranking of businesses in Vietnam's map of e-commerce changed in the second quarter of 2021, with the volume of Google searches for essential online stores skyrocketing, according to an iPrice Group study.

The study showed online groceries was the only category to maintain steady and consistent growth since the beginning of the pandemic. Google searches related to online grocery stores in the second quarter of this year increased by 223 percent against the first quarter. The number of searches increased 11 times in July compared to May, and 3.6 times compared to June when the social distancing order under Directive 16 was implemented in some provinces and cities.



People pay more attention to fresh food, beverages, pre-packaged items, fruits and veggies as the searches of these items surge by 99 percent, 51 percent, 30 percent, and 11 percent, respectively, compared to the previous quarter. Thus, social distancing could be one of the factors driving the surge in demand for online supermarkets. With the growing necessity of purchasing essentials online, retailers are more likely to adapt to the digital platform.

Buy2Sell, a B2B platform for imported goods, launched a new application in December to compete in the e-commerce race in Vietnam. Buy2Sell's application focuses on high-end products, especially imported organic food, genuine cosmetics and other lifestyle items.

From 2022, Buy2Sell will expand to allow domestic sellers on its platform instead of only international vendors as previously. It would still enable any buyer matching a seller's MOQ (order minimum) to purchase goods at wholesale prices.

Buy2Sell has established a flexible delivery policy between sellers and buyers on its platform and application, where sellers can deliver the goods themselves to buyers instead of waiting for a long period of time. This helps buyers receive the goods quicker.

All goods displayed on Buy2Sell will be authenticated from their origin. The quality of origin guarantees no imitations, fake goods, low quality goods to be distributed through this platform. Buy2Sell established a consumer protection policy on selling prices and warranties, under the commitment for all sellers.

Through its elaborate distribution system (both wholesale and retail) since 2015, and with a completely different market segment from other e-commerce players, Buy2Sell will become a known name. In the coming years, the company intends to strongly contribute to the development of Vietnamese technologies and bring changes to the consumer landscape.

[Back to top](#)

## ENERGY

### Japan-based JFE Engineering Corporation to participate in a large-scale waste-to-energy project

Japan-based JFE Engineering Corporation is participating in a large-scale waste-to-energy project in Vietnam, supporting the country's efforts in reducing greenhouse gas emissions amid sustainable socioeconomic development.



The construction of the waste-to-energy plant in the northern province of Bac Ninh is scheduled to begin in January, with completion expected in 2024. The facility will be operated by T&J Green Energy Co., Ltd., a company jointly invested by local Thuan Thanh Environment JSC and JFE Engineering Corporation.

Last week at the project's launching ceremony, Japanese Ambassador to Vietnam Yamada Takio said that during Prime Minister Pham Minh Chinh's recent visit to Japan, the two sides asserted public-private cooperation in many fields. Moreover, a joint plan of cooperation towards becoming carbon neutral by 2050 was agreed on in the presence of both prime ministers. "I am pleased that the kick-off ceremony was held within the framework of the second Japan-Vietnam Environmental Week and witnessed by the Japanese Ministry of Environment and its Vietnamese counterpart. I think this is an exemplary typical project for the friendship between Japan and Vietnam," Ambassador Takio said.

JFE Engineering Corporation will oversee the design and construction for the plant, while Thuan Thanh will handle obtaining permits and licenses, securing land for the plant, and collecting, transporting, and disposing waste. The plant will incinerate around 500 tonnes of municipal and industrial solid waste per day, with a power output of 11.6MW and an expected annual waste treatment and greenhouse gas (GHG) reduction. This scheme enables proper waste treatment and the supply of electricity without the use of fossil fuels.

The facility will also help reduce methane emissions from landfill sites and other GHGs by replacing grid electricity from other sources. The electricity generated will be sold to the grid following the feed-in tariff system. While Vietnam is now undergoing rapid urbanisation, the improvement of wastewater treatment facilities has become an urgent issue to provide solutions to the growing water pollution by domestic sewages.

Hajime Oshita, president and CEO of JFE Engineering Corporation, said, "This is an important project for us. Through this, JFE Engineering Corporation will keep striving to offer Japanese technologies and

know-how, contributing to the improvement of the living environment in Vietnam by further strengthening cooperation with local companies.”

The venture is financially supported by the Japanese government, a loan from the International Finance Corporation (IFC) of the World Bank Group, and the Finland-IFC Blended Finance for Climate programme. The financing was achieved under the expectation of the project’s proper waste disposal and the potential to reduce GHG emissions by approximately 600,000 tonnes over 15 years.

Japan has been implementing a similar project under the Joint Crediting Mechanism (JCM), providing financial support that covered up to half of the initial investment costs. The purpose of the model is to financially support the implementation of projects which reduce GHG emissions by utilising leading decarbonising technologies in developing countries, and in return, to acquire JCM credits for Japan’s emissions reduction.

Thuan Thanh is a major recycling firm in Vietnam developing various recycling businesses, including waste incineration. The project was realised by taking advantage of the strengths of both companies, including Thuan Thanh’s experience and sales capabilities and JFE Engineering Corporation’s extensive experience constructing and operating waste-to-energy plants. Both companies aim to launch similar projects on an ongoing basis. VIR

[Back to top](#)

## Vietnam to develop 5,000 MW of offshore wind power by 2030

Provinces and cities want to add to the national power development plan 110,000 MW of offshore wind power, but the Ministry of Industry and Trade has only approved an additional 5,000 MW.

This information was released by Dang Hoang An, Deputy Minister of Industry and Trade, at a recent workshop on developing offshore wind power in Vietnam.



According to An, with Vietnam's commitment to reach zero emissions by 2050 at COP 26, there will be a detailed roadmap for industries, including clean energy and renewable energy.

He said the Ministry of Industry and Trade is finalizing the draft power plan VIII, with a target to develop 5,000 MW of offshore wind power by 2030 and about 40,000 MW by 2045. Compared to the scenario introduced in early November of 4,000 MW by 2030, in this updated plan, offshore wind power capacity increased by 1,000 MW.

Out of 5,000 MW of offshore wind power that Vietnam will develop by 2030, the North will develop 2,000 MW, and the South will develop 3,000 MW. By 2045, with a capacity increase to over 40,000 MW, offshore wind power will account for 12% of the total power sources. VNN

[Back to top](#)

## RETAIL

### Rural groceries change business strategy as they compete with foreign supermarkets

Thanh Ngoc, the owner of a grocery store, was seen comparing the prices of thousands of products with a smartphone.



Just after a touch on the screen, a truck carrying goods worth tens of millions of dong arrived after some minutes.

Ngoc has been running a grocery in Bien Hoa City of Dong Nai province for many years. Previously, she met wholesalers every weekend to buy goods but now stays at home and places orders. All the products she needs, from toothpaste to shampoo to drinks, are delivered to the door.

“Now I can manage a shopping list with hundreds of items worth tens of millions of dong. I can analyze the purchases of local people in different periods to determine how many products I need for retail and adjust business plans,” she said. The other two grocery stores in the same area have also been digitized. The digitization allows them to get hundreds of products from suppliers in one order within a day.

The tendency of going online is growing throughout the country. Traditional grocery stores are becoming one of the two B’s in B2B (Business to Business) in the distribution chain. Nguyen Minh Hanh from Telio Vietnam, an e-commerce platform with retail agents in 26 cities and provinces, said the online trend will continue. The flow of people leaving large cities for hometowns after the pandemic is expected to increase goods consumption in rural areas and provinces with smaller populations.

Vo Duy Phu from VinShop said the strong development of technological platforms plus the pandemic have accelerated digitization in the retail industry. For many of the 80,000 grocery owners, this is the

first time they are using smartphones to make transactions, thus creating a revolution in the retail industry. Online groceries are becoming common in every neighborhood as they benefit both sellers and buyers.

A representative from VinShop said with the support of technology, goods can circulate faster from manufacturers to consumers, and the problems of traditional retail can be settled with digital technology. “One-touch purchases can help restrict contact during the pandemic. You can stay at home and compare the prices of thousands of products. Goods are delivered door to door. These are the values that digitization brings,” Phu said.

A Nielsen’s report showed that Vietnam has more than 1.4 million grocery stores and 9,000 traditional markets. VNN.

[Back to top](#)

## LOGISTICS

### Vietnam to develop its own logistics services to Europe and America

Vietnam has many opportunities to enhance exports to the European and American markets but logistic issues are causing bottlenecks to this potential.



Deputy Minister Ministry of Industry and Trade Do Thang Hai addressed a conference yesterday, entitled "Development of Viet Nam's logistics industry with Europe - America region".

He said that the local logistics industry has had strong development in recent years but still faced many challenges such as service costs, bottlenecks in infrastructure, warehousing, equipment and human resources

Hai said that the World Bank's most recent logistics performance index ranked Viet Nam 39th out of 160 countries and third in Southeast Asia. This is Viet Nam's highest position to date.

He added: "Logistics is also one of the fastest-growing and most stable industries of Viet Nam with an average growth rate of 14-16 per cent per year, contributing to GDP from 4-5 per cent." He calculated the whole country has about 30,000 enterprises operating in the field of logistics, with about 5,000 professional enterprises so far.

However, while Europe and America are major trade partners of Viet Nam, congestion on container transport routes, especially in transport routes, as well as a large shortage of empty containers continuing from 2020, has seriously affected the export of goods to these markets. Roger Wu, Business Development Manager of the Port of Long Beach, California (USA) said that the pandemic created an unprecedented situation, adding the current bottlenecks were mostly in the United States.

According to the analysis from 2021, congestion in ports will increase by 6 per cent while cargo shipments have been shifted to ports from air services under the Government's blockade measures in the past.

Bui Huy Son, Vietnamese Trade Counselor in the US, said that the congestion of sea routes had influenced a shift to road and air, while the increase in e-commerce activities for smaller orders has greatly affected normal export activities.

Son said: "Congestion in the US has a direct impact on costs and makes businesses passive when accessing the market, especially seasonal products such as apparel, footwear, agricultural products, electronics, and consumer goods."

He added in the first ten months of 2021, the total export turnover of these commodities to the US reached US\$24.8 billion, accounting for 32.8 per cent of the total export turnover of Viet Nam to the US.

If these businesses continue to face difficulties in logistics in the long run, they will lose their direct link with the transport chain and have to depend on other businesses.

Seafood was one of Viet Nam's main exports to Europe and America, said Nguyen Hoai Nam, Deputy General Secretary of the Vietnam Association of Seafood Exporters and Producers (VASEP). Nam expressed concerns about the increased logistics costs and freight rates, causing difficulties for seafood exporters.

Nam said though it was the peak time of the year for the export of seafood, the enterprises faced an increase in all parts of the chain such as fees, shipping time, booking for containers, number of delay days at the port and fees for docking there.

Nam said before November 2020, the highest cost to transport to Europe and the US was \$3,000 per container. Now it is \$17,000 for the East Coast, \$13,000-14,000 for the West Coast and \$12,000-14,000 for European ports. It was less than \$1,500 per container to the Middle East; now it is \$10,000 - \$11,000, said Nam.

Hans Kerstens, Deputy Head of Transport and Logistics Sub-Committee of Eurocham, said the logistics companies were trying to find solutions to avoid congestion such as having their own ships and empty containers.

“Transporting goods from Viet Nam to Europe also needs to be adjusted, not only depending on sea transport but also diversifying modes of transport, to ensure that the goods arrive at the right place and at the right time,” Hans Kerstens shared.

Around 90 per cent of exports from Viet Nam depend on foreign shipping companies. A participant of the conference suggested that Viet Nam should develop its own logistic routes, adding that a local company like Hoa Phat could produce the empty containers.

As a response, Le Quang Trung, deputy general director of the Viet Nam Maritime Corporation (VIMC) said VIMC had deployed such a team for a shorter route from Viet Nam to India.

In the future, Trung said VIMC would develop more international routes to serve demand.

At the conference, participants also mentioned the rapid development of e-commerce, and more consumers' habits of e-buying had developed an e-logistics system so that Vietnamese enterprises could promptly seize opportunities for export development through cross-border e-commerce. According to the conference, the Asia-Pacific region currently dominated the global logistics market with a significant market share thanks to the increased import and export activities, and growing demand from urbanisation.

With signed free trade agreements and policies and the trend that American and European companies are shifting to Viet Nam, the local logistic industry is of great potential to become “the world's cargo transshipment centre, not only the seaport but for all kinds of logistics.” VNS

[Back to top](#)

## INVESTMENT

### MoMo becomes a unicorn after its Series E fundraising round

E-wallet MoMo announced the successful completion of its Series E fundraising round with \$200 million in equity financing from leading global investors.



The Series E was led by leading Japanese global bank Mizuho with the participation of Ward Ferry, Goodwater Capital and Kora Management.

Regarding the value of the firm so far after the deal, Nguyen Manh Tuong, MoMo's Executive Vice Chairman and Co-CEO, said: "We are not officially releasing the valuation because we focus on performance not valuation, but the answer is that we crossed \$2 billion valuation after this round."

With the valuation, the e-wallet would go into the local unicorn club with tech firms VNPAY, VNG, and Sky Mavis (the owner of Axie Infinity).

As the country's No.1 super app, MoMo will use the new capital to consolidate the leading position of its super app platform by growing the penetration of its financial services products among its 31 million users, expanding its presence to serve millions of MSME merchants across Vietnam, and further investing in Vietnamese companies that could strengthen MoMo's ecosystem.

The firm will also expand and strengthen its services in tier 2 and 3 cities, and in rural areas.

Over the past ten years, MoMo has continually invested in technology solutions in order to improve the life of the Vietnamese people. MoMo has been a strong supporter of the Vietnamese Government's strategic goals of developing the digital economy through promoting cashless payments, increasing financial inclusion, and helping overcome the challenges brought about by the pandemic.

MoMo's donation platform has facilitated user donations of US\$4 million to various causes. Additionally, MoMo has helped accelerate the digital transformation of thousands of business partners in MoMo's ecosystem, with more than 140,000 payment acceptance points spread across all business verticals. VNS

[Back to top](#)

## Vietnam's M&A market attracted over US\$8.8 billion

---

During the 10-month period, Vietnam's M&A market attracted over US\$8.8 billion, a surge of 18% against 2020 and 13.7% compared to the pre-pandemic period in 2019.

In 2021, the Covid-19 pandemic and emergence of new variants continue to put the world's economy under great challenges. Vietnam's M&A market, however, has remained firm on track of recovery with several major deals.

### Japan-based SMBC Group acquires 49% stake in FE Credit

On October 28, Vietnam's VPBank announced the completion of the sale of a 49% stake worth an estimated US\$1.4 billion in VPBank Finance Company (FE Credit) to SMBC Consumer Finance (SMBCCF), a wholly-owned subsidiary of Japan's Sumitomo Mitsui Financial Group (SMBC Group).

Given the move, VPBank Finance Company has now been renamed VPBank SMBC Finance Company, with VPBank still retaining a 50% in FE Credit, while the remaining 1% is held by another investor.

### SHB sells financial consumer arm to Thailand Bank

In late August, the Hanoi-based Saigon-Hanoi Commercial Bank (SHB) has reached a deal to transfer a 50% stake in its financial consumer arm SHB Finance to Thailand's Bank of Ayudhya Public Company (Krungsri), with another 50% set to change hand in the next three years.

While details of the deal were not disclosed, it was reported that the deal would cost Krungsri around VND3.5 trillion (\$156 million).

### Alibaba and Baring Private Equity Asia invest \$400 million in CrownX

In mid-June, Masan Group announced the completion of private issuance of a 5.5% stake in the CrownX Corporation to a consortium led by Alibaba Group and Baring Private Equity Asia (BPEA) for a cash consideration of \$400 million.

The CrownX is Masan's integrated consumer retail arm that consolidates its interests in Masan Consumer Holdings and VinCommerce. The transaction implies a pre-money valuation of \$6.9 billion for The CrownX, or \$93.5 per share. Masan now owns 80.2% of it.

### SK Group purchases 16.26% stake in VinCommerce

In April, SK Group, South Korea's third-largest conglomerate said it would spend \$410 million to acquire a 16.3% stake in VinCommerce.

Woncheol Park, representative director of SK Southeast Asia Investment, SK Group's subsidiary that makes the investment, expressed his strong belief in the potential of Vietnam's online and offline retail sector, expecting VinCommerce to play a vital role in its modernization.

### KKR invests \$100 million in Equest Education Group

KKR, a leading global investment firm with \$367 billion of assets management, on May 31 announced an investment of \$100 million in EQuest Education Group, a leading educational services provider in Vietnam.

The investment is made through the KKR Global Impact Fund (“KKR Global Impact” or “the Fund”), and marks the Fund’s fourth investment globally in the educational and workforce development as part of the Fund’s thematic focus on Lifelong Learning.

EQuest operates a diversified portfolio across the educational sector in Vietnam, focusing on four core segments including K-12 bilingual schools, tertiary and vocational institutions, English enrichment courses, and digital learning solutions.

### **Thaco acquires South Korea’s E-mart retail chain in Vietnam**

On October 9, Vietnam’s car automaker Truong Hai Auto Corporation (Thaco) said it has taken over the E-mart retail chain in Vietnam and operates it under franchise.

As the deal takes effect, South Korea's largest retailer will receive royalty payments from the Vietnamese buyer instead of directly operating the business. E-mart expects to expand its retail chain to 10 stores in Vietnam by 2025.

### **Masterise Group acquires property project from Vinhomes**

Green City Development, a subsidiary of Vinhomes, in July, said it has transferred two land plots of up to seven hectares under the Vinhomes Grand Park to Masterise Homes, a member of Masterise Group.

The Vinhomes Grand Park project covers an area of 365 hectares, located 20-25 kilometers away from downtown Ho Chi Minh City, consisting of 71 high-rise buildings of 25 to 36 floors, providing 44,000 apartments for the market.

### **Bamboo Capital purchases 71% stake in AAA**

Bamboo Capital (BCG) on October 1 agreed to purchase a 71% stake in insurance company AAA and the deal is pending approval by the Ministry of Finance.

Under the plan, Bamboo Capital expects to acquire nearly 80 million shares from AAA worth VND700 billion (\$30.5 million).

AAA Insurance is specializing in non-life insurance with a charter capital of nearly \$48.9 million. The company became a member of Insurance Australia Group (IAG) in 2013 which is holding an 80.47% stake in the local insurance company, while Eximbank holds 5.28%.

### **Mizuho forks out \$170 million to buy a 7.5% stake in Momo**

Japan-based Mizuho Bank acquired a 7.5% stake of local firm M-Service, which operates e-wallet Momo, in a deal worth \$170 million.

The acquisition deal, which will be completed by the end of the year, is expected to create collaborations between the payment app and Vietcombank, a Vietnam-based bank that Mizuho previously invested in.

MoMo has more than half of the market share in Vietnam's payments space, and it is poised to become a super app on the back of its 20 million users.

#### **Kido buys 44.2 million shares of Vocarimex**

In November, Kido Group acquired over 44.2 million shares of the Vietnam Vegetable Oils Industry Corporation (Vocarimex) in an auction held by the Government's investment arm State Capital Investment Corporation (SCIC).

The winning bid price offered by Kido was VND28,400 per share, in turn putting the total deal value to VND1.25 trillion (\$55 million).

Given this move, Kido has raised its stakeholding in Vocarimex from 51% to 87.29% while SCIC completed the state divestment from the company. Hanoitimes

[Back to top](#)

For more information, please contact us:



*Research & Consulting Division*

<b>Our services</b>	Marketing Research Business Matching Investment Consulting Translation - Interpretation Training (Language & Soft skills)
<b>Our clients</b>	Think tanks, Universities Japanese & Vietnamese Government Organizations Manufacturers, Retail companies Advertisement agencies, Mass media
<b>Head Office</b>	Floor 5 <sup>th</sup> – A Chau Building No.24 Linh Lang Str., Ba Dinh Dist., Hanoi, Vietnam
<b>Rep. Office</b>	〒220-0012, 8F Wework, Ocean Gate Building 3-7-1 Minatomirai, Nishi ward, Yokohama Kanagawa, Japan
<b>Telephone</b>	+84-24-6275-5246 ; +84-24-6273-6989
<b>Fax</b>	+84-24-6273-6988
<b>URL</b>	<a href="http://www.seiko-ideas.com">www.seiko-ideas.com</a>
<b>PIC</b>	Tram Nguyen (Ms.)
<b>Email</b>	<a href="mailto:tram.nguyen@seiko-ideas.com">tram.nguyen@seiko-ideas.com</a>

*\*You are receiving this because you [subscribed](#) to our weekly business newsletter or you gave us your address via name card.*