

Mekong Enterprise Fund II completes final divestment of MobileWorld for a 57x cumulative return on investment

HO CHI MINH CITY, VIETNAM (29 January 2018) – Mekong Capital is pleased to announce that the Mekong Enterprise Fund II (“MEF II”) has completed the divestment of 100% of its investment in Mobile World Investment Joint Stock Company (“MobileWorld”), the biggest mobile device and home appliance retailer in Vietnam. This was the culmination of an exit process that began with a pre-listing private placement shortly before the 2014 public listing of MobileWorld on the Ho Chi Minh City Stock Exchange, and involved gradually selling blocks of shares to institutional investors approximately once per quarter after the listing. The final block of 5 million shares was sold at a price of VND165,000 per share and completed on 29 January 2018.

MEF II originally invested \$3.5 million in MobileWorld for a 35% stake in 2007. The cumulative net proceeds from the sale of MEF II’s MobileWorld shares and dividends received was \$199.4 million. Over the 10.5 year holding period of this investment, it generated a return multiple of 57x in USD and an IRR of 61.1% in USD¹, making it one of the most successful private equity investments in the history of Asian Private Equity.

Mekong Capital’s investment framework called *Vision Driven Investing* has consistently enabled its funds to realize high rates of return. The framework enables investee companies to create a big breakthrough vision, and achieve their vision while creating significant value creation for shareholders. MobileWorld was both an inspiration for, and model of, the *Vision Driven Investing* framework.

Mr. Chris Freund, Partner at Mekong Capital, said: *“When we originally invested into MobileWorld in 2007, they had 7 stores and a \$10 million company valuation. Our original goal was to increase to 50 stores and a \$50 million company valuation. The success of this investment has exceeded our wildest expectations. Many factors have contributed to this great success, but at the core of MobileWorld’s success is the 5 co-founders: Tai, Quan, Tung, Huan and Trieu – their open-mindedness, proactiveness, willingness to improve and complementary points of view. Together they had a big vision, built an extraordinarily strong team and a strong corporate culture, put the interests of customers first, and created an unstoppable machine that consistently sets the standard for retailing best practices in Vietnam.”*

Mr. Chris Freund added: *“It’s unfortunate that we now must complete our 10.5-year journey together with MobileWorld. Our fund that invested into MobileWorld, MEF II, was launched in 2006 and ultimately had a 12-year term, hence we needed to complete the divestment of our remaining investments in MEF II including MobileWorld in the first few months of 2018. If it wasn’t for MEF II’s limited timeframe, we would have wanted to continue as a shareholder of MobileWorld for the foreseeable future, especially as they ramp up Bach hoa XANH into Vietnam’s leading supermarket chain. There is currently no company in Vietnam’s retail sector, either foreign-owned or locally-owned, which can execute on the large scale and high standards that MobileWorld can execute. We look forward to finding other ways to partner with MobileWorld in the future.”*

During its 10.5-year holding period by the MEF II, MobileWorld has grown from 7 stores to over 2,000 stores today under 4 different retail brands: *thegioididong.com*, *Dien may XANH*, *Bach hoa XANH* and *vuivui.com*. The company has also recently announced the acquisitions of Tran Anh Digital World and Phuc An Khang pharmacy chain.

About Mekong Capital and Mekong Enterprise Fund II

Mekong Capital is a Vietnam-focused private equity firm, specializing in consumer driven businesses and looking to invest in fast-growing companies, with ambitious expansion plans, and a commitment to building management teams that will successfully execute on those expansion plans. Mekong

¹ Return information is net of taxes and transaction expenses.

Capital's funds have completed 32 private equity investments in Vietnam, of which 24 have been fully exited. Its latest investment vehicle, the Mekong Enterprise Fund III (MEF III), has to date announced investments in 6 companies, including lending firm F88, logistics companies Nhat Tin and ABA, restaurant operator Red Wok, Ben Thanh Jewelry and Yola Education. All investee firms in MEF III are implementing the *Vision Driven Investing* framework.

Launched in 2006, Mekong Enterprise Fund II is the second private equity fund managed by Mekong Capital. MEF II made 10 investments of which nine have already been fully exited. The Fund's only remaining investee company is Asia Chemical Corporation (ACC). MEF II's other notable investments included Golden Gate, Vietnam Australia International School and ICP.

For information about Mekong Capital, please visit the website at www.mekongcapital.com.

About MobileWorld

Founded by a team of 5 co-founders in 2004, MobileWorld initially established itself as the market leader and most prominent mobile device retailer in Vietnam, specializing in mobile phones, tablets, laptops, accessories and other related products through its *thegioididong.com* store network.

As of 31 December 2017, the company operates 1,070 *thegioididong.com* outlets nationwide, including all 63 provinces, making it the number 1 mobile device retailer in Vietnam with 40% market share. In 2010, the company launched a larger-format consumer electronic and household appliances retail concept under the *Dien may XANH* brand, which has reached 657 stores as of 31 December 2017, and is already the number 1 consumer electronics and household appliances retailer in Vietnam, with 20-25% market share. The company is currently rolling out its 3rd retail concept, a mini-supermarket chain under the brand *Bach hoa XANH*, which currently has around 285 locations in Ho Chi Minh City.

MobileWorld is also active online, with more than 1,000,000 daily visitors to its websites, making it Vietnam's largest online retailer. MobileWorld applies an omni-channel strategy which closely integrates the online and offline aspects of the business. For example, leveraging its nationwide store network, the company can provide 30-minute delivery for online orders for customers in most locations nationwide.

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