



MEKONG CAPITAL – 1Q17 NEWSLETTER
for the period ended 31 March 2017



SPOTLIGHT ON MEKONG CAPITAL

AWARDS



Mekong Capital has been awarded **Frontier Market Firm of the year in Asia for 2016 by Private Equity International (PEI)**. The PEI Awards 2016 are voted by investment industry professionals, and included more than 35,000 votes across all categories for the 2016 awards.

This is the fourth year in a row of Mekong Capital winning an award by Private Equity International, after having won the Operational Excellent Firm of the year for the Asian Small Cap category in 2013 & 2015, Frontier Market Firm of the year for 2014.

**AWARDED BY PEI
FOR THE 4th YEAR IN A ROW**



**TOP 100 VIETNAM BEST
PLACES TO WORK 2016**

Mekong Capital received the honour to be in the Top 100 Vietnam Best Places to Work 2016 and in Top 5 in Finance and Investment industry through a survey done by Anphabe, a Vietnam leading employment agency. The survey was based on intensive analysis of career motivation and employee's expectation of an ideal workplace, categorized by industries, functions and geographic locations etc...

COMPANY TRIP IN NEW ZEALAND



24 members of Mekong Capital overcame rain, cold, strong wind, rocks, thick trunks of fallen trees & sandflies to complete a 55.3km in 5 day/4 night walk through the heart of Fiordland National Park to Milford Sound, Queenstown, New Zealand.

NEGOTIATION TRAINING BY FBI'S FORMER LEAD HOSTAGE NEGOTIATOR



In February, Mekong Capital arranged for Chris Voss, the FBI's former lead hostage negotiator and author of the best-selling book on negotiation, *Never Split the Difference*, to lead a negotiation training for Mekong Capital's team and our investee companies. The program was a great success, and Mekong Capital subsequently retained Chris Voss' consulting company, Black Swan Group, to deliver a 6-month coaching program to Mekong's team in communication and negotiation skills.

NEW INVESTMENT

BEN THANH JEWELRY



Sector: Jewelry Retail

www.btj.com.vn



Mekong Enterprise Fund III (MEF III) committed to invest US\$7,600,000 in Ben Thanh Jewelry (BTJ). This is the fourth investment announced for MEF III. With the investment from MEF III, BTJ will launch a new chain of fine jewelry retail in Vietnam named PRECITA. PRECITA will redefine the industry standards of value for customers and product integrity. PRECITA focuses on beautiful designs imported from big jewelry markets & latest Western trends, together with exclusive local designs for local customer needs.

DIVESTMENT

VIETNAM AUSTRALIA INTERNATIONAL SCHOOL



Sector: K-12 Education

www.vas.edu.vn



MEF II signed an agreement to sell 100% of its shares in Vietnam Australia International School (VAS) to the global private equity firm, TPG. VAS is the leading dual-curriculum and bilingual K-12 school chain in Ho Chi Minh City. Details of the transaction will be announced in September 2017.

SPOTLIGHT ON INVESTEE COMPANIES

MOBILEWORLD
108 NEW STORES OPENED



Sector: Retail of Mobile,
Consumer Electronics and FMCG

www.thegioididong.com

www.dienmayxanh.com

www.bachhoaxanh.com

www.vuivui.com



MobileWorld opened 108 new stores during the first quarter, bringing the total to 1,000 Thegioididong mobile stores, 314 DienmayXANH electronics stores, and 67 BachhoaXANH grocery stores. Meanwhile, revenues grew 62% YoY while net profit grew 34% YoY in 1Q17.

[Google map it](#)

TRAPHACO
NEW FACTORY INCREASE
3X CAPACITY

Traphaco

Sector: Pharmaceutical

www.traphaco.com.vn



Traphaco has successfully completed the GMP application process for the new factory, designed to triple the company's current modern medicine capacity in a 40,000sqm land owned by the company, allowing commercial production to begin in 3Q17 as per schedule. The new factory is expected to contribute approximately VND100bn to manufactured revenue before the end of the year.

[Google map it](#)

ABA CORPORATION

INCREASED TRUCK FLEET

36%

ABA cooltrans
by ABA

Sector: Cold-chain logistics service

www.aba.com.vn



Due to rapidly increasing demand from new and existing customers the company has increased its truck fleet by 36% in 1Q17.

WRAP & ROLL

SAME STORE SALES INCREASED

20%

WRAP&ROLL
Nét riêng cuốn Việt

Sector: Restaurant Chain

www.wrap-roll.com



In 1Q17, Wrap and Roll executed significant changes to the organizational structure at the store level and launched a new lunch menu which resulted in improved customer satisfaction and a large jump in traffic. As a result, same store sales in March grew by over 20%.

Google [map it](#)

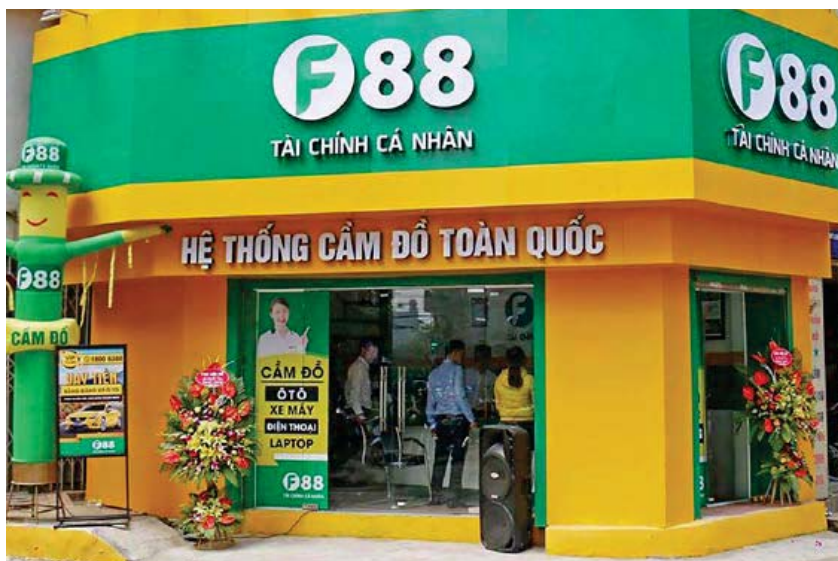
OPENED **4** NEW STORES

F88



Sector: Personal-lending

www.f88.vn



In 1Q17, F88 opened 4 new stores bringing their total number of pawnshops to 15 by quarter-end in Hanoi and surrounding provinces.

During the quarter, the company completed a critical ERP module named Asset Valuation, a function that allows store managers perform transactions quickly, helping the company easily roll out its stores with only few centralized asset valuation experts.

PERFORMANCE OF LISTED INVESTEE COMPANIES CURRENTLY HELD BY MEKONG CAPITAL'S FUNDS

Company Name	Trading Code	Share Price (4 May 17) (VND)	2017 YTD Share Price Performance (against 31 Dec 16)	2017 Net Profit Estimate (VND Billion) ⁽¹⁾	2017 P/E ratio Estimate	2017 Net Profit Growth Rate Estimate (%) ⁽²⁾	Percent held by Mekong's funds (4 May 17)
Traphaco	TRA	125,700	10%	243	17.9	15%	24.99%
MobileWorld	MWG	171,800	10%	2,305	11.5	46%	4.55%

Note:

(1) 2017 net profit estimate is Mekong Capital's internal estimate that does not represent the official targets of investee companies or estimates from the management teams of those companies. Mekong Capital's estimate is subject to frequent changes as new information becomes public.

(2) This is calculated based on the audited net profit data of the investee companies for the year ended 31 December 2016.

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