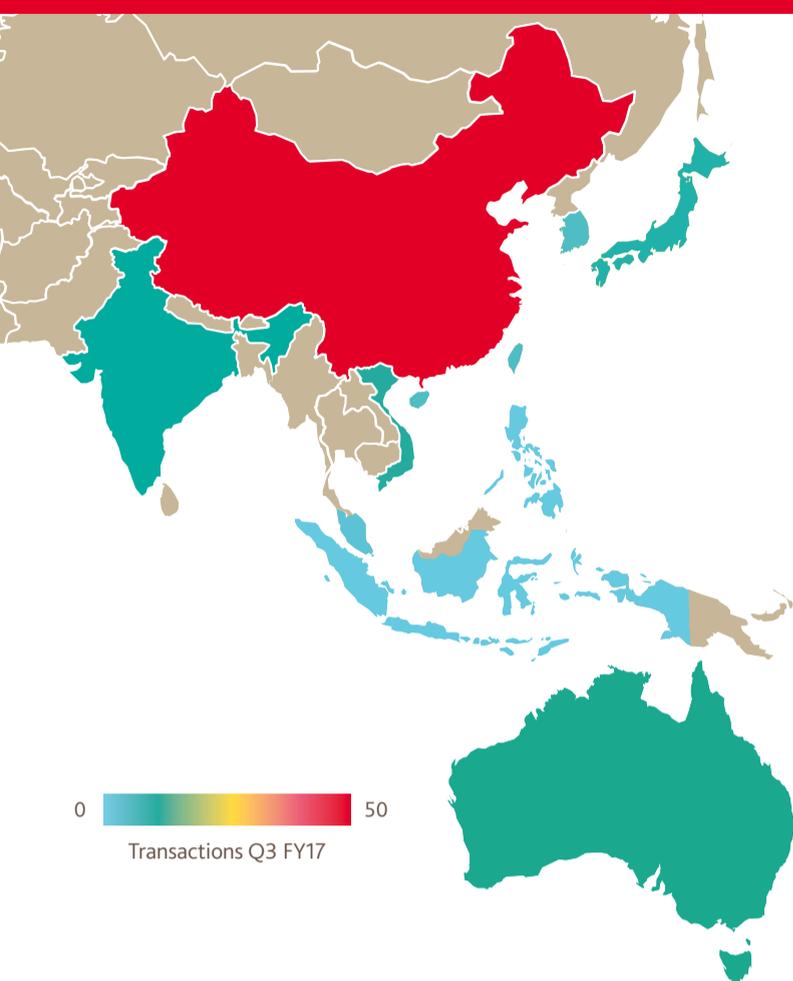


BDO's quarterly Technology M&A Highlights provides a targeted snapshot of M&A activity in the Asia region, with a detailed focus on Australia.

## ASIA M&A HEAT MAP



**Q3 FY16**  
115 M&A  
TRANSACTIONS  
ACROSS ASIA  
\$29.8 BILLION

**Q3 FY17**  
112 M&A  
TRANSACTIONS  
ACROSS ASIA  
\$18.6 BILLION

Experts have attributed the slowdown in M&A activity to political tensions caused by the recent capital outflow restrictions introduced by the Chinese Government.

Nonetheless, M&A transactions for the quarter were concentrated in China, which recorded a total of 50 announced deals and over \$13 billion in value.

The largest transaction in the quarter involved the capital raising by Koubei (\$1.5 billion). Koubei is a local service platform owned by China-based Alibaba Group. The financing was led by private equity investors including Silver Lake Partners, CDH Investments and Primavera Capital.

Alibaba is proposing to use the funds raised to increase their user base and expand Koubei internationally. In the wake of smartphone apps growth, Chinese internet firms have been expanding and diversifying their

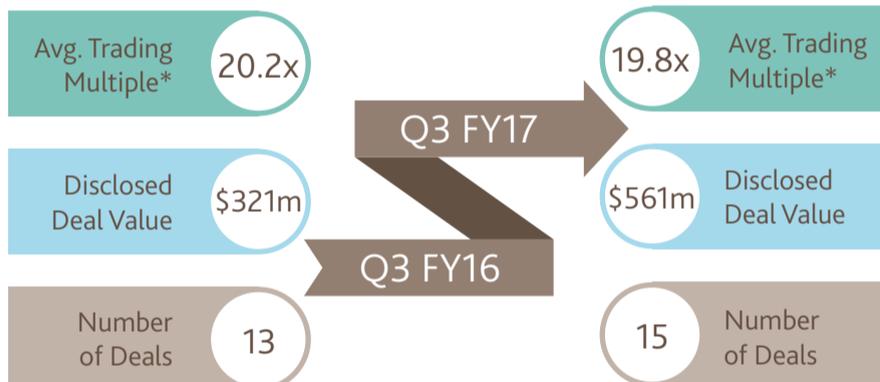
## AUSTRALIA

### TECHNOLOGY M&A ACTIVITY

M&A activity increased by 75% to \$561m in Q3 FY17 compared to Q3 FY16.

Market analysts have attributed the increase in M&A activity to Australia's stable economy, highly skilled workforce and taxation breaks for technology research activities.

Equity valuations in the technology industry remain elevated. Investors recognise that technology has the potential to change the way people live, work and interact which translates into higher returns for shareholders.

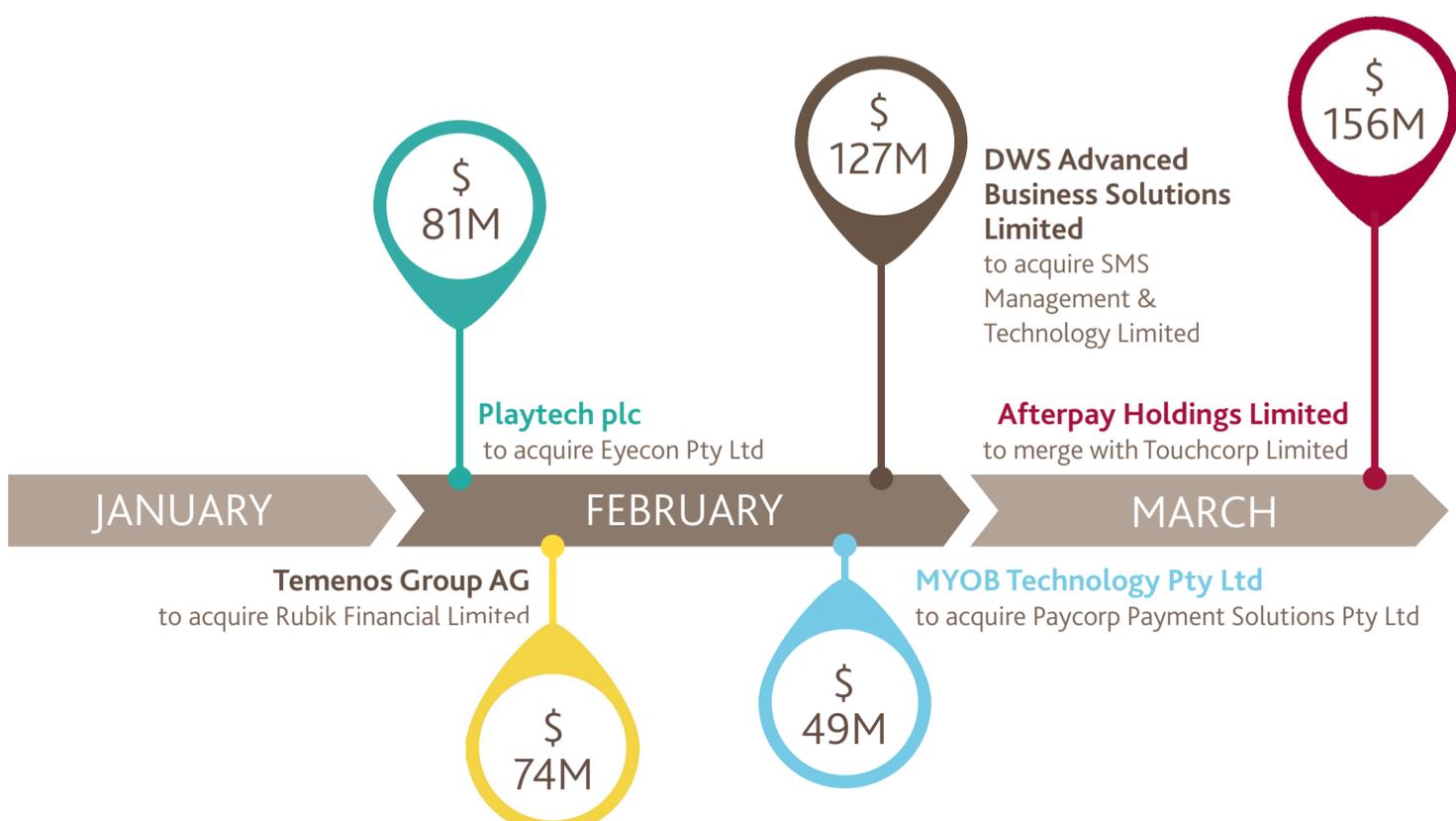


\*Average EBITDA trading multiple for all ASX listed technology companies with market capitalisation greater than \$50 million.

### NOTABLE TRANSACTIONS

The largest transaction announced during the quarter was the merger of Touchcorp Limited and Melbourne based fintech startup, Afterpay Holdings Limited. Founded in 2014, Afterpay is an online finance platform that facilitates commerce between online retailers and end customers. The platform offers a "buy now, receive now, pay later" service that does not require end customers to enter into traditional finance arrangements. Touchcorp is an online payment processing gateway for online retailers.

The merger was driven by a strategy to rapidly scale into new markets and attain cost efficiencies.



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