

4<sup>th</sup> November 2020

DCI Vietnam Fund III Management Co., Ltd.

Daiwa Corporate Investment Co., Ltd.

Attention

This document is an unofficial translation of the press release announced on 4<sup>th</sup> November 2020 by DCI Vietnam Fund III Management Co., Ltd. and Daiwa Corporate Investment Co., Ltd. The original press release is in Japanese.

**Establishment of “DAIWA-SSIAM Vietnam Growth Fund III L.P.”**

Daiwa Corporate Investment Co., Ltd. (“DCI”), through its subsidiaries, DCI Vietnam Fund III Management Co., Ltd. and SSI Securities group, the largest securities company in Vietnam), are pleased to announce the establishment of "DAIWA-SSIAM Vietnam Growth fund III LP" (the “Fund 3”).

The Fund 3 has already started its investment activities taking the opportunity of Vietnam’s strong economic re-emergence and immense growth potential over the next decades. The Fund 3 aims to provide growth capital as well as active hands-on supports to fast-growing companies in Vietnam to achieve higher return on investment by increasing the corporate value of the portfolio companies. The Fund III is continuing to be open for further capital commitment and the expected final closing date is scheduled for October 2021.

1. Executives Summary

In October 2009, DCI and SSI Securities group have already jointly established their first Vietnam-dedicated private equity fund (the “Fund I”) with committed capital of circa US\$ 28 million (including the parallel fund) and the Fund I had successfully completed divestments of all of 5 (five) portfolio companies and made its final distribution to its limited partners with a positive result of investment performance. The two co-partners are currently managing DAIWA-SSIAM Vietnam Growth Fund II L.P. (the “Fund 2”), a 2015-2023 vintage Vietnam-only private equity fund with committed capital of circa US\$ 39 million (including the parallel fund). The Fund 2 is fully disbursed into seven (7) best-in-class enterprises already.

Vietnam's population in 2019 stands at just short of 100 million and is the world's 15th largest. Over 70% of the entire population is within 15 to 64 years old, a so-called golden population structure. Since 2011, GDP resiliently grew at around 5.2% to 5.6% during 2012-2014, and averaging to over 6.4% in 2015-2018 while inflation has been stable at less than 3% per annum. By end of 2019, Vietnam GDP grew 7.02%, the highest recorded figure in 9 years. Given that policymakers are steadfast focusing on longer term economic stability and sustainability, the prospects of Vietnam economy are clearly positive and Vietnam is expected to continue its sustainable high economic growth driven by expansion of domestic consumption along with rising middle income class and the surge of the importance as a destination for foreign direct investment and favorable export condition.

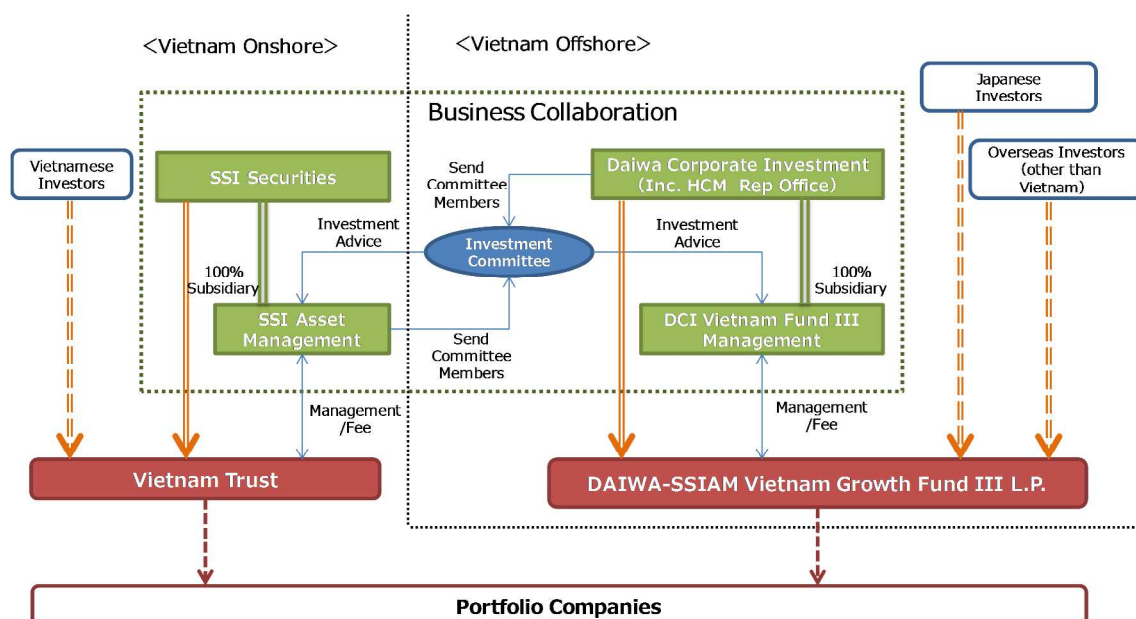
Since Vietnam is expected to continue providing attractive investment opportunities, DCI and SSI Asset Management Co., Ltd. (a subsidiary of SSI Securities) decided to establish the successor fund of the Fund 2.

## 2. Investment Strategy and Methodology

The Fund 3 intends to focus on investing into a sector where strong growth is expected driven by attractive demographics, rapid urbanization, rising middle income class and changes in life style. One of its comprehensive is the Consumer Goods / Services sectors and among them, Food & Beverage, Pharmaceutical & Healthcare, and Housing Materials & Household Goods, Transportation & Logistics, Retails, Media and Education will expected to continuing to grow rapidly. The Fund 3 also considered a promising investment opportunities in the Government's SOE (state-owned enterprise) privatization program.

The Fund 3 will focus on targeted investment size of US\$ 5-10 million per transaction. In order to secure a meaningful influence on the corporate governance of each investee company, the Fund 3 intends to make a significant minority investment with an ownership of between 10% to 30% and seats on the board of directors and/or the board of supervisors of each investee companies. The Fund 3 will further utilize strong corporate network of the Daiwa Securities Group with Japanese companies in order to boost the portfolio companies' value by facilitating strategic alliances between them.

### 3. Fund Scheme



#### Summary of the Fund 3

Name	DAIWA-SSIAM Vietnam Growth Fund III L.P.
General Partner (GP)	DCI Vietnam Fund III Management Co., Ltd.
Fund Maturity	10 Years
Investment Period	5 Years

#### Summary of General Partner

Name	DCI Vietnam Fund III Management Co., Ltd.
Establishment	8 <sup>th</sup> September 2020
Domicile	Caymans Islands
Shareholder	Daiwa Corporate Investment Co., Ltd. (100% ownership)
Representative	Kenichi Shimomoto

#### Summary of Daiwa Corporate Investment Co., Ltd.

Name	Daiwa Corporate Investment Co., Ltd.
Foundation	August 1982
Capital	JPY 100 million
Head office	1-9-1, Marunouchi, Chiyoda-ku, Tokyo, Japan
Share holder	Daiwa Securities Group Inc. (100%)
Representative Director & President	Kiyohisa Hirano

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