

# Spotlight on Alternatives Platform

Q2-2023







## **CLEAN ENERGY & INFRASTRUCTURE**

Vietnam's energy sector is at an inflection point. The country is focused on developing sustainable energy solutions, and VinaCapital is at the forefront of private sector investment across a diverse portfolio of energy projects, providing both transitory and long-term solutions for Vietnam.



### **Updates And Outlook On The Power Sector**

As much as developers anticipated that the Power Development Plan 8 would be released in the first quarter of 2023, that hasn't happened yet. Nevertheless, the Ministry of Industry and Trade has published price guidance for transitional projects, signalling that these legacy projects from the Power Development Plan will soon reach to an agreement with Vietnam Electricity (EVN). The new range is 21-29% lower than the previous FIT, depending on the technology used, and the tariff is no longer pegged to the USD.

The changes in regulations have compelled renewable energy developers to maximize their efficiency to achieve their target returns, including choosing the right site locations, implementing transparent and efficient project development processes, and accessing to international financing. These factors emphasise the importance of having a foreign and local developer partnering to fully capture the market opportunities. We remain optimistic about the future of Vietnam's energy market due to Vietnam's commitment to become carbon net-zero by 2050 and steady energy demand growth of 8.5% until 2030 (to an installed capacity of 145GW in 2030). Meeting these objectives will require that the sources of electricity will need to come from a mixture of low to zero carbon emissions (LNG, solar, wind, biomass, hydrogen). At VinaCapital, we continue to develop our greenfield pipeline as well as seek potential M&A of brownfield projects to diversify our portfolio and be ready when the market picks up momentum.

### **ESG Becoming More Prevalent In Vietnam**



In Q1 2023, VinaCapital E&I team co-hosted an event between Vietnam's government and Singaporean corporations to discuss the potential of ESG investing. VinaCapital aims to assist the government in creating incentives for ESG/ impact investors to enter Vietnam, and support FDI companies in finding suitable investment opportunities. We believe that ESG-themed investments have great potential in the country, and can be expanded into every sector, not just clean energy. As such, we are planning to launch several ESG-themed products to the market this year.





## REAL ESTATE

VinaLiving is Vietnam's first lifestyle and tailored-living brand that caters to the new generation of Vietnamese homeowners. The VinaLiving collection of properties delivers customized living environments across a range of developments situated in premium locations. Our properties are developed to meet the growing demand in Vietnam for something "above the normal". It's not simply about building houses, but about designing a lifestyle and a vision for the future.

### Development Highlights

Real estate prices settled down in most segments and regions after a stormy 2022. Despite the continued unfavorable market environment in Q1/2023, some prime-location residential projects regained momentum in sales and construction. While most developers were busy with financial restructurings, VinaLiving seized the opportunity to polish our strategies in licensing, development, and marketing. Our solid capital structure enabled us to focus on the development progress of our key projects and scout for new acquisitions.

- Discovered promising opportunities for our low-rise resort-style living in Long An, Dong Nai and Ba Ria - Vung Tau.
- Completed the mock-up unit for The Cat Hai, our crown jewel hospitality project in Binh Dinh Province. We wrapped up the design and secured master plan approval for the project. The hill villas of Phase 1 will be launched in H2/2023 and H1/2024.
- Achieved major progress in our Long An projects in Q1; We locked in enough funding for the clearance and development of Ben Luc Waterfront, and spotted several potential projects in Long An, drawing interest from local and foreign investors.

#### THE OCEAN VILLAS:



- Construction: Completed 100% foundation work for all villas, 100% concrete work and external plastering for villas and facilities, and started internal finishing work.
- Sales and Marketing Status: Deposits for 288 villas of Phase 2 have been received as of 31 Mar 2023.
- Approval Process: Obtained the Construction License on 15 Mar 2023 with the Underground water license expected to be approved in early Apr 2023.

#### THE CAT HAI:

- Site earthwork targeted for completion at the end of Apr 2023.
- Construction of mock-up Hill villas completed.
- Construction of The Thon Cuisine Village was completed and handed over to the operator on 26 Dec 2022.
- Approval Process: Basic Design was submitted in early Mar 2023.







## VENTURE CAPITAL

VinaCapital Ventures is a Vietnam-focused venture capital platform that invests in and builds world-class technology companies with the goal of incorporating them into a full digital ecosystem. Its mission is to help entrepreneurs build companies that make a significant impact on the lives of people in Vietnam and beyond.

## Portfolio Highlights

### Investment Activities:

VinaCapital Ventures announced an investment in Koina, a data-driven Farm-to-Business (“F2B”) agriculture technology platform based in Vietnam. This investment is part of Koina’s seed extension fundraising round.

Koina’s vision is to build Vietnam’s most extensive and efficient agri-ecosystem by working side-by-side with Vietnamese farmers and connecting them directly with financial institutions, input suppliers, and commercial retailers.

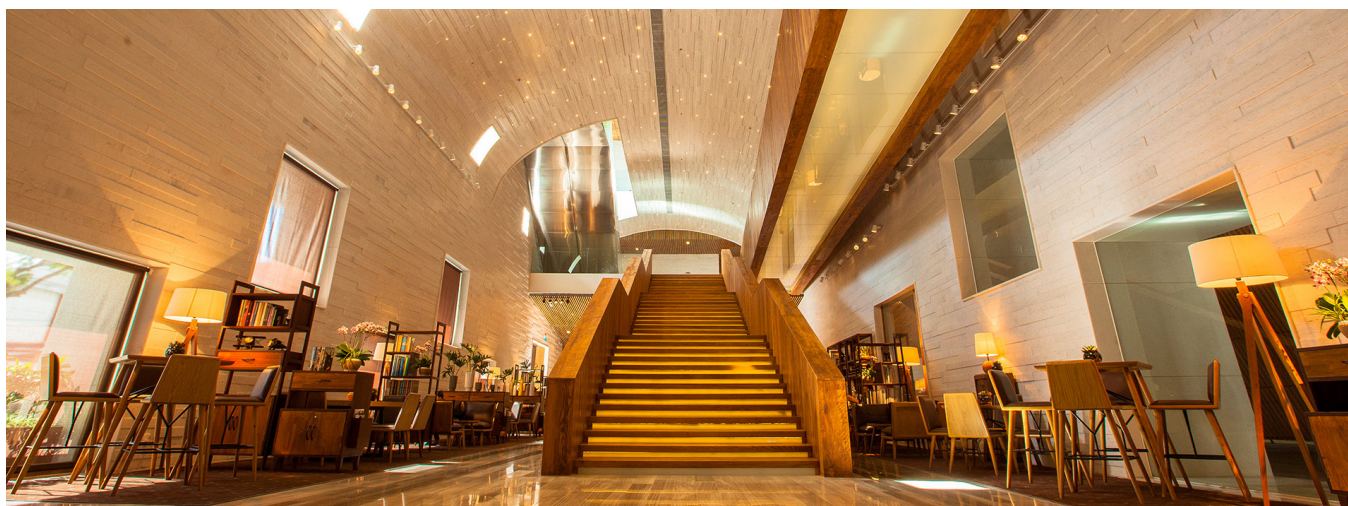


Vietnamese farm-to-business AgriTech platform, Koina, announced its recent seed funding round, raising US\$1 million in capital from SEA’s leading VC, VinaCapital Ventures.

### Portfolio Company Update:

**GlobalCare’s** newest products are in-transit insurance policies, providing insurance for goods in each trip transported by an Ahamove shipper, a top-tier local last-mile delivery service provider. The number of policies sold has seen exponential growth from the prior period.





## PRIVATE EQUITY

The VinaCapital Co-Investment Fund focuses on making private equity investments in Vietnam by co-investing with VinaCapital Vietnam Opportunity Fund, which is listed on the Main Market of the London Stock Exchange. Investments are in companies across a range of sectors benefitting from Vietnam's domestic growth story, such as healthcare, education, consumer staples, real estate, and materials. Its strategy is to seek alignment with strong management teams, to obtain performance commitments and downside protections, and to achieve exits via strategic sales or IPOs over a 4–6-year horizon.

### Investment Highlights

VinaCapital Vietnam Opportunity Fund (LSE: VOF), the flagship fund of VinaCapital, and the Co-Investment Fund have made a private equity investment in Chicilon Media Information Technology Vietnam Joint Stock Company, the leading inner-building, digital advertising company in Vietnam. VinaCapital led a consortium to invest USD38 million in Chicilon Media.

Chicilon Media's LCD screens are installed in the lifts and lobbies of residential and commercial buildings across Vietnam, reaching the growing urban middle class. This channel is a highly cost-effective medium for advertisers since it enjoys uninterrupted attention from targeted audiences.. With per capita advertising spending in Vietnam forecasted to grow significantly in the years ahead, Chicilon Media is well-positioned to capture a sizeable portion of that spending, given the cost effectiveness, reach, and demographics of its channel. It is already the leader in this segment with four times the market share of its closest competitor.

Founded in 2006, Chicilon Media has consistently delivered double-digit revenue growth on average and has been constantly profitable, even during the Covid pandemic. Following the post-Covid reopening, Chicilon Media has seen a strong recovery, as evidenced by its net profit quadrupling in 2022 y-o-y.

Mr Andy Ho, VinaCapital's CIO and Managing Director of VOF, said, "Chicilon Media is an ideal example of a market leading company we like to invest in. It is well-established and linked to sectors that are benefitting from Vietnam's growing middle class and strong domestic consumption story. Its management team have a clear vision and strategy, are experienced and recognise the need to innovate their business. In addition to currently leading the market, they also evolve with it, by investing in advanced equipment and having a strong commitment to research and development."

Chicilon Media intends to use the investment from VinaCapital to expand within the industry and across other provinces, as well as continue R&D and upgrade facilities.



KÊNH TRUYỀN THÔNG ĐẦU TƯ  
GIÁ TRỊ NHẤT







17th Floor, Sun Wah Tower  
115 Nguyen Hue, District 1, Ho Chi Minh City, Vietnam  
P: + 84 (28) 8 3821 9930  
Email: [ir@vinacapital.com](mailto:ir@vinacapital.com)  
Website: [www.vinacapital.com](http://www.vinacapital.com)