ASIA PARTNERS

OCTOBER 2021 FIRM-WIDE UPDATE

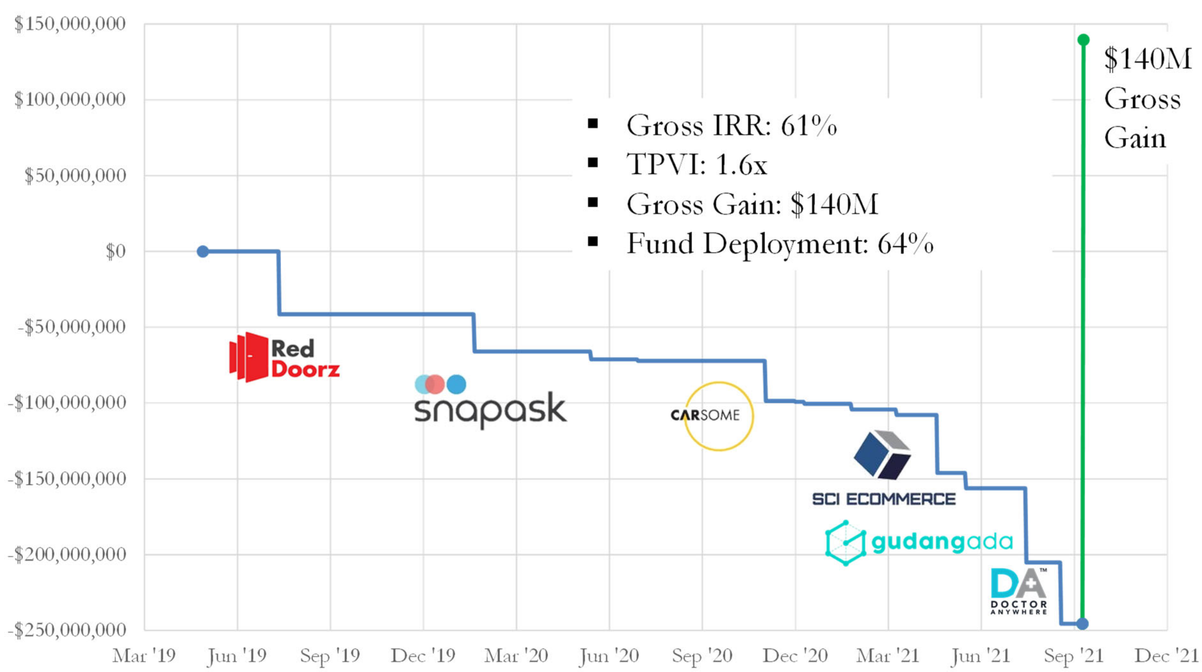
Dear Partner,

It is our pleasure to share a few updates with you since our last Firm-wide letter a few months ago.

Investing Program

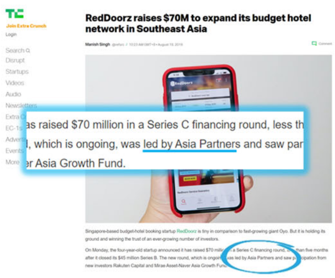
Asia Partners I LP is currently 2.4 years into its investing period, which began in May 2019. The fund is currently 64% deployed, which includes drawdowns for our first six investments, re-investments in two of our companies, management fees, and organizational expenses. As of September 30, 2021, we estimate that the Fund's gross IRR is 61%, total value to paid-in capital is 1.6x, and current gross gain is $140 million.[1]

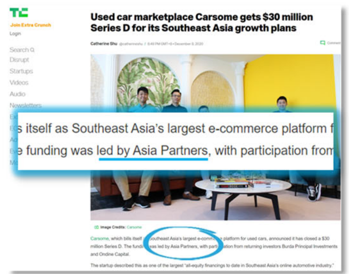
Visually, here is the current state of the investing program, with the blue line indicating cumulative drawdowns and the green line the current carrying value of the portfolio.

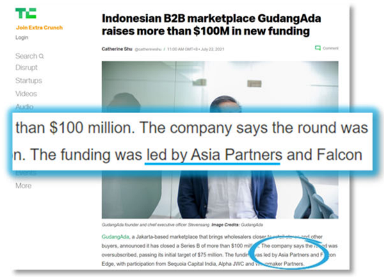


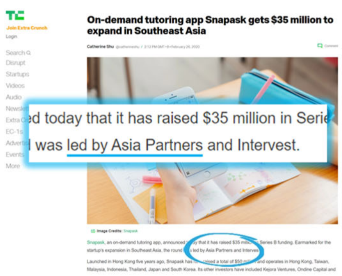
[1] This is an internal interim estimate in advance of our year-end reporting figures, which are based on formal third-party appraisals from Duff & Phelps. Methodologically, both our IRR and TVPI calculations are based on a 'whole of fund' basis, the more conservative approach; both reflect the current Duff & Phelps third-party valuation for RedDoorz, the most recent new fundraising round for Snapask, and the most recent new fundraising round for Carsome. Of note, SCI Ecommerce, GudangAda, and DoctorAnywhere have each been kept at 1.0x cost basis (e.g., a 0% IRR), given that we have held each for less than a year. We would ordinarily do the same for Carsome, given that it is also slightly less than a year into that investment, but given the relevant fact that there have now been two successive fundraising events for Carsome (the most recent of which was entirely without Asia Partners participation), we have reflected those events in its current valuation for the purpose of this internal interim estimate.

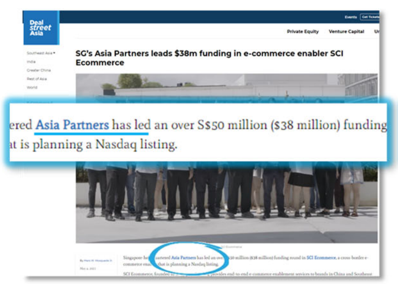
As important to us as the headline IRR and TVPI numbers is the fact that we have kept closely to the discipline of our intended investing framework. For each of the six investments we have made, we have made $20-50 million dollar investments for roughly 10-20% ownership stakes, and in each case we have led or co-led the investment:

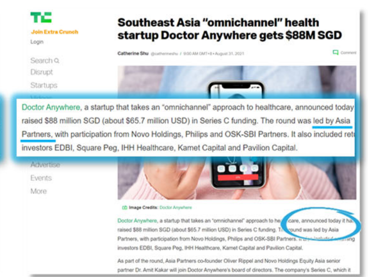












Helping our portfolio to grow sustainably, increasing gross margins, improving operating leverage, and ultimately reaching profitability and strong cash flows is key to our value-add strategy. As mentioned in our recent Q2 quarterly update letters, each of our six businesses is scaling well:

- RedDoorz continues to ramp-up its property network and recently reached a new historical high of 2,216 properties. Rather remarkably given the external dynamics, it more than doubled its revenues from 2019 to 2020, and Q2 2021 revenues were 67% higher YoY than Q2 2020 revenues. RedDoorz was the 19th ranked company on the *Financial Times*' 2021 roster of 500 of Asia's fastest growing businesses[2].

- Snapask's revenue grew 43% YoY from Q2 2020 to Q2 2021. Interestingly, we are starting to see results from the company's new initiative in pre-recorded course content: average revenue per user grew 51% YoY to $94 in Q2 2021, and gross margin grew from 49% in Q2 2020 to 52% in Q2 2021.

- Carsome had another record quarter, with Q2 2021 revenue of US$156.8m, up 4.4x YoY from the pandemic trough in Q2 2020. Consumer migration away from public transportation during the pandemic, Zoom-based work encouraging a move to suburbs, and the global chip shortage limiting new car production have together accelerated the used car e-commerce business, and Carsome has the largest market share in our region. Carsome was the 16th ranked company on the *Financial Times*' 2021 roster of 500 of Asia's fastest growing businesses[3].

- SCI Ecommerce's Q2 2021 revenues grew 87% YoY to $46.4m, and its client roster expanded from 176 brand partners to 213 from Q1 to Q2 2021. The company, which focuses on cross-border branded e-

[2] https://www.ft.com/high-growth-asia-pacific-ranking-2021
[3] Ibid.

commerce, was the third ranked company on the *Financial Times*' 2021 roster of 500 of Asia's fastest growing businesses[4].

- Gudangada and Doctor Anywhere were new additions to the portfolio in Q3, and both are off to a good start in terms of increasing traction and monetization levels.

Another core part of our value-add is helping our companies prepare for public offerings, drawing upon our experience in leading the IPO of Sea Ltd. on the NYSE in 2017. Sea is today Southeast Asia's largest public company, with a $176bn market cap[5], and is often a role-model for our companies. Within our portfolio, there are some encouraging initial milestones on this front, over and above building intrinsic value through growth and margin improvement.

Over the past two weeks, SCI Ecommerce conducted the first round of its IPO bakeoff for a U.S. listing. Carsome's IPO bakeoff is planned for the second half of October, and it is also targeting a U.S. listing. Carsome has been a pleasant surprise in terms of the early trajectory of its valuation; our initial cost basis was at a $210mm post-money valuation, and its most recent funding round values the business at $1.3bn. On a blended basis, reflecting our November 2020 initial investment of $25mm and our May 2021 reinvestment of $10mm, we are currently at approximately 4.2x cost basis for Carsome. In parallel with IPO preparations for SCI and Carsome, both RedDoorz and Snapask are working with Goldman Sachs on a potential new round of fundraising, and GudangAda is currently evaluating advisors for a potential new round of fundraising in early 2021.

While it is always a combination of both art and science to plan forward for liquidity generation, and capital markets windows can both open and close, preparing our companies for IPOs and pre-IPO penultimate funding rounds remains one of our top priorities. We are cautiously optimistic that should the IPO window remain open, we will have at least one IPO, and possibly two, in 2022, which will be both strategically advantageous for our companies and also meaningful steps on the path to achieving liquidity for you, our partners.

Continuing the Journey Together

In parallel with our IPO preparation work, we are also giving thought internally to longer-term capital planning. As we shared above, Asia Partners I LP is now 64% deployed. If we pencil in a placeholder of 10-12% of the fund size for a potential seventh investment for the Fund (consistent with our last three investments), a placeholder for management fees, and set aside a prudent buffer for future re-investments in the seven companies (perhaps 10-12% of the Fund), we arrive at close to 100% of the $384mm of capital in Fund I.

It bears mentioning that all of our investments are made on a bottoms-up underwriting basis, rather than with any fixed deployment schedule in mind. Our investment prospecting engine, which is a core part of our Firm's culture, internal processes, and headcount, has been steadily improving its throughput, up from one investment in 2019, two in 2020, and now three year-to-date in 2021. Since founding the Firm, we have done almost 300 'M1' first meetings, as we call them, with potential investment prospects. Approximately one-third of those, or 99 companies, continued into active due diligence, and for only 14% of those 99 did we propose a formal term sheet. In roughly half of those cases, we did not come to an agreement with the company on terms acceptable to us (valuation, governance terms, or otherwise), and the vast majority of the other half ultimately converted into closed investments:

[4] Ibid.
[5] October 1, 2021 data.

As important as our prospecting engine, our *thesis* for technology growth equity in Southeast Asia is both unfolding as we had hoped, and still has many years ahead still to run, based both on the long-run trajectory of economic output in our region and the relevant parallels to other emerging markets over the past two decades. If anything, the ongoing geopolitical and regulatory uncertainty to the north has cast Southeast Asia in a new, more attractive light than just a few years back.

Finally, the welcome reception given to Sea Ltd.'s IPO and subsequent multi-billion dollar secondary offerings, Bukalapak's recent $1.5bn IPO at a $8bn valuation, and Grab's upcoming deSPAC[6] (the largest deSPAC in history) are also constructive signs of a new level of appreciation for Southeast Asian tech platforms by the global capital markets, which is of course an essential ingredient for an end-to-end investing program.

All of these data points taken together are encouraging us, with helpful input from our Advisory Board, to give some thought to when to start planning for a future Fund II. While the timing of a potential seventh (and final) new platform company for Fund I is uncertain, the current diameter of our prospecting pipeline, both for that specific investment and then future opportunities, suggests that this is an opportune time to start the planning process for a potential successor fund. By planning early, we very much hope to avoid a 'gap' in capital availability relative to our ongoing theme generation and target identification work.

In an ideal world, we would endeavor to work on a first close of Fund II, focused on our existing Fund I limited partners, in early 2022[7]. Once our seventh Fund I investment is complete, we would then migrate to making new platform investments out of Fund II – without 'missing a beat,' as it were. In the spirit of a deep long-term partnership with founding LPs like you, we are also committed to giving our existing Fund I LPs who come into the first closing of Fund II a full, 100% allocation relative to their desired capital deployment objectives.

[6] We would note, to be balanced, market chatter that Grab shares are currently traded in the private market at approximately a 20% discount to the deSPAC valuation, which suggests that the initial months of trading after the deSPAC closes may be volatile ones for that particular company.
[7] We would ideally like to do this by year-end, but we recognize that many LPs operate on an annual budget basis, and the surfeit of funds coming to market in 2021 may make this year's allocations already 'spoken for.' It may be more practical to aim for early 2022 to relax the constraint of the 2021 budget cycle.

We look forward to your input and feedback as our planning continues to develop. We understand that many members of the limited partner community do their capital budgeting for the next calendar year in October and November each year. We would very much appreciate if you could keep Asia Partners in your thoughts as you enter into that planning process in the coming weeks. It would be our great pleasure to continue our partnership with you.

Our 2021 AGM and LPAC Meeting

We would like to propose Tuesday, November 9, 2021, for our annual general meeting. We are honored to have LPs on six continents, and to be respectful of the time zones represented across the partnership we will have two meeting times:

- The first from 8:00am-10:00am Singapore time (corresponding to 8:00pm-10:00pm New York time and 5:00pm-7:00pm San Francisco time on November 8th)

- The second from 7:00pm-9:00pm Singapore time (corresponding to 1:00pm-3:00pm Cape Town time and 12:00pm-2:00pm London time, also on November 9th).

The content for both meetings would be the same – broadly speaking, an update on the technology ecosystem in our region, our top priority investment themes for the coming year, individual portfolio company updates, an update on Fund II planning, and plenty of time for interactive discussion. Please feel free to join for either of them, whichever works best for you.

For members of our LPAC, we would also propose a discussion from 9:00pm-10:30pm Singapore time, immediately after the second AGM time slot, seeking to find a sensible 'common denominator' time slot for a critical mass of the group, given the multiple time zones represented.

As always, we would be happy to answer any questions you have on any of the thoughts in this quarterly update. Thank you again for your continued support for Asia Partners and for the entrepreneurial ecosystem in Southeast Asia.

Sincerely,

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Asia Partners Fund Management Pte Ltd

Oliver M. Rippel
Partner and Co-Founder
Asia Partners Fund Management Pte Ltd