AVCJ Weekly Digest

02 August 2023

COVER STORY

INDIA EDTECH: CLASS DISMISSED

With investment all but evaporated and its champion in a tailspin of bad press, India's massive online K-12 education space is in an awkward limbo.

Read more

PERSONAL PROFILE

CHAD OVEL OF MEKONG CAPITAL

An outdoorsman with a passion for mountaineering and a background in sustainable forestry, Chad Ovel found a good fit in Mekong Capital's strategy targeting the frontier of Vietnam's consumer markets.
Read more

DEAL FOCUS

AGIC EYES BEAUTY WITH INDUSTRIAL CHARACTERISTICS

Pure Trade runs a network of third-party manufacturers that provide packaging to global beauty brands. AGIC saw an asset that sat neatly in its Asia-Europe industrial supply chain sweet spot.
Read more

DEAL FOCUS

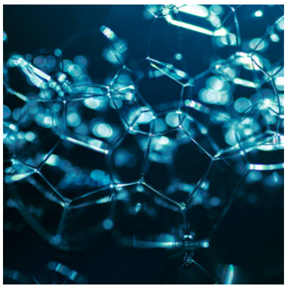
CHANGE AT THE MARGINS FOR PROTERRA ASIA

Proterra Asia has been investing in food and agriculture across the region for 13 years. This will continue, regardless of tweaks in management entity ownership and fund structure.
Read more

DEAL FOCUS

TOPOLEFIN FINDS FAVOUR AS IMPORT SUBSTITUTION PLAY

China-based Topolefin has gained traction thanks to breakthroughs in polymer science and the willingness of local medical equipment makers to use its components in foreign-dominated supply chains.
Read more



Q&A

MARK CHIBA OF THE LONGREACH GROUP

Mark Chiba, group chairman of North Asia-focused The Longreach Group, on deal flow in Japan’s middle market, pursuing platform acquisitions, the rise of digitalisation, and the complexities of take-privates.
Read more

The AVCJ weekly digest will return on August 23

By the Numbers

AVCJ RESEARCH

BEATING THE TRAFFIC

The investigation that followed Didi Chuxing's IPO in mid-2021 cast fear into Chinese companies targeting US listings. But for up-and-comers in the ride-hailing space, the accompanying halt on Didi registrations and app downloads imposed by regulators was a window of opportunity. T3 Go and Caocao Chuxing went on a fundraising spree.

It doesn't compare to the mid-2010s arms race that saw Didi Dache, Kuaidi Dache, and Uber China raise capital with one hand and spend it on driver subsidies with the other. More than USD 21bn was committed to ride-hailing platforms between 2015 and 2017. During this period, Didi and Kuaidi merged and then bought Uber China, creating a market leader with scale to withstand any challenge.

Or so it was thought. Meituan, Gaode, Haro, and Dida Chuxing were said to be seeking to capitalise on Didi's misfortune in 2021. T3 made little secret of its ambitions on closing a CNY 7.7bn (USD 1.2bn) Series A. Caocao earlier raised CNY 3.8bn.

These rounds accounted for almost all the USD 1.8bn that went to ride-hailing platforms in 2020 and 2021. Activity coincided with the peak of China's investment boom and the subsequent slump hasn't been kind to any tech-enabled company with an aggressive loss-leading business plan. However, Ruqi Mobility and T3 recently returned to market, with one securing CNY 842m and the other getting CNY 1bn.

Whether they have realistic hopes of toppling Didi may not be the point. These newcomers have strong strategic backing: FAW Group, Dongfeng Motor, and Changan Auto provided angel funding for T3 with support from Alibaba Group and Tencent Holdings; Caocao is controlled by Geely; and Ruqi was incubated by GAC Group.

So, the spate of investment offers insighs into how China's automakers envisage a future beyond internal combustion engines. These companies aspire to competency in electric vehicles (EVs) and autonomous driving, and they want to provide control services that feed and feed off the commercialisation of such technologies.

T3, which wants to have 1,000 autonomous vehicles on the road by 2026, has outlined plans to leverage ride-hailing to build a travel ecosystem based on new energy and intelligence. Caocao is one of several Geely units to raise third-party funding. Others focus on EVs and electric vertical take-off and landing (eVTOL) vehicles.

Private investment in Chinese ride-hailing companies

Source: AVCJ Research

All of the trends featured here were sourced from AVCJ's proprietary database, AVCJ Research, featuring comprehensive information on private equity deals, fundraises and exits.

Read more on AVCJ Research

The rest of the week

FUNDS

- PEP raises continuation fund for New Zealand's Up Education
- Goodwater raises $1b across two funds
- Australia's Main Sequence hits $305m first close on Fund III
- India's Together seeks $150m for second VC fund

LIQUIDITY EVENTS

- DCP sells MFS Technology to Chinese strategic for $460m
- Longreach sells Hong Kong medical devices player to Boyu
- China’s VectorBuilder becomes unicorn, files for Shanghai IPO
- Olympus part-exits Singapore's Constant Energy via trade sale
- Singapore's Mirxes raises $50m, files for Hong Kong IPO
- Chinese retailer KK Group files for Hong Kong IPO

DEALS

- BPEA EQT completes Vistra, Tricor merger
- Astra leads Series D for Indonesia health-tech player Halodoc
- Australia GP stakes investor Pacific Current gets buyout offer
- BPEA EQT buys India fertility clinic business
- US sports, media-focused GP backs Australia's PMY Group
- RTP leads $17m round for India internet provider
- TNB Aura leads $17m Series A for Vietnam's Gimo

For your calendar

UPCOMING EVENTS

- **5-6 September 2023** - AVCJ China Forum
- **13 November 2023** - AVCJ Diversity & Inclusion Forum
- **13 November 2023** - AVCJ ESG Forum
- **14-16 November 2023** - 36th AVCJ Private Equity & Venture Forum
- **6 December 2023** - Mergermarket M&A Forum - Hong Kong

Connect with us & learn more

Get in touch

help@avcj.com

25th Floor, The Center
99 Queen's Road Central; Hong Kong SAR