07 December 2022

COVER STORY

ASIA SECONDARIES: LAYERS AND STRUCTURES

With private market valuations yet to see a meaningful reset in Asia, investors are looking to drive secondary deal flow by closing the bid-ask spread.

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PROFILE

GOPAL JAIN OF GAJA CAPITAL

Though pleased with India's progress in the past 30 years, Gopal Jain set up Gaja Capital to help take it to the next level. He sees PE as a central pillar of economic growth and by extension national morale.
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DEAL FOCUS

PROSPERITY7 WIDENS MANDATE WITH AUSTRALIA'S VOW

Prosperity7 Ventures has well and truly escaped its energy sector roots, leading a hefty early-stage round for Australia's Vow, a company making cell-cultured meat with a twist.
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DEAL FOCUS

RUIYUN HEATS UP CHINA'S COLD CHAIN INDUSTRY

Ruiyun Cold Chain will use its pre-Series A funding to continue industry consolidation efforts, build out full-truckload and less-than-truckload services, and develop a tech platform that does more than matchmake.
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FUND FOCUS

SOUTHEAST ASIA PIQUES SILICON VALLEY INTEREST

Singapore's Iterative is dazzling its entrepreneurial friends in the US with tales of seed-stage success in Southeast Asia and channelling that interest into a sophomore fund.
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By the Numbers

AVCJ RESEARCH

RELATIVE FINTECH RESILIENCE

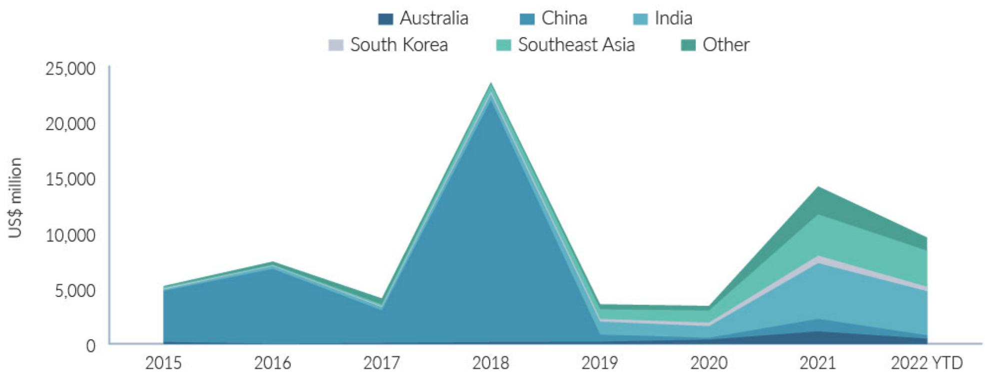
The recent history of early and growth-stage investment in Asian financial technology assets is shaped by China. Until 2019, China absorbed 90% of all capital entering the space over a four-year period, culminating with Ant Group's USD 14bn Series C in 2018. The comedown was rapid, instigated first by an intensification of a crackdown on P2P lending and then by Ant Group's failed IPO and further regulatory reforms.

For 2019 onwards, the China share of fintech investment is 7%, compared to 36% for India and 29% for Southeast Asia. India has benefited from India Stack, an ambitious government project that has created an open access fintech infrastructure spanning biometric identification, data security, and a unified payments interface. In Southeast Asia, meanwhile, fintech has developed lock-step with deepening smart phone penetration, aided by demand from a sizeable unbanked population.

Exclude Ant Group's Series C and deployment in the space Asia-wide reached a record USD 14.2bn in 2021. This pace hasn't been maintained in 2022, with USD 9.6bn deployed to date. Yet the 33% decline compares to a 45% drop-off for early and growth-stage investment across all sectors. It is a similar story for India and Southeast Asia, which together account for three-quarters of overall fintech investment in 2022.

Evidence of continued investor appetite came this week when KreditBee, an Indian lending start-up, raised USD 80m in Series D funding from Premji Invest, NewQuest Capital Partners, Mirae Asset Ventures, MUFG Bank, and Motilal Oswal Alternates. The company – a subsidiary of Finnov, which also controls non-bank financing company Krazybee – is expected to close the round on up to USD 150m.

Minority PE investment in financial technology by Asian jurisdiction



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

- India's 3one4 seeks $200m for fourth VC fund
- Secondary investor backs Hidden Hill's $465m fundraise
- China's InnoVision seeks $250m for third fund
- Korea's Daesung Private Equity raises $85m metaverse fund
- FWD, Artem launch Malaysia insurtech fund
- Asian family offices seek greater PE funds exposure - survey

DEALS

- Singapore's Temasek launches internal review of FTX deal
- KKR completes tender for Japan's Hitachi Transport Systems
- TPG exits Sri Lanka's Union Bank of Colombo
- Carlyle sells Japanese snacks maker to D Capital
- China semiconductor equipment player raises $139m
- India agtech start-up DeHaat closes Series E on $60m
- Chinese investors sell international assets of condom maker LifeStyles
- AirTree, Greycroft back Australia's FrankieOne
- China CRO Safe Pharma gets $71m Series D
- Hong Kong fintech player XanPool raises $41m
- Vistara, QIC back Australian sports-tech player Vald

For your calendar

UPCOMING EVENTS

- **21-22 February 2023** - AVCJ China Forum
- **7-9 March 2023** - AVCJ Australia & New Zealand Forum
- **14 March 2023** - Mergermarket M&A Forum - Australia
- **15 March 2023** - Infralogic Investors Forum - Australia

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