AVCJ Weekly Digest | 27 July 2022 View in browser

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COVER STORY

ESG IN M&A: ELOQUENT EXITS

More GPs are presenting portfolio companies' sustainability credentials in a prepared and formal way for trade sales. It appears to be worth the trouble.

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Q&A

NORAH TIAN OF MONAD VENTURES

Monad Ventures is unusual in China's VC landscape as a dedicated software investor. Norah Tian, the firm's founding partner, discusses valuations, deal sourcing, and gender.
Read more

DEAL FOCUS

HAHN & CO TAKES GP-LED SECONDARIES TO NEW HIGH

Hahn & Company has closed a USD 1.5bn single-asset continuation fund for Korea's Ssangyong C&E, giving it more time to complete the company's transition from cement maker to broader environmental services player.
Read more

DEAL FOCUS

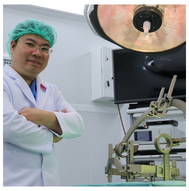
PROSUS EYES FRUIT FARMER AGGREGATION

B2B marketplaces are the prevalent theme in Prosus Ventures' agricultural technology investments in Asia. However, as fruit specialist Vegrow demonstrates, supply chain dynamics are not uniform.
Read more

DEAL FOCUS

NAVIS PENETRATES THAI HOSPITAL SEGMENT

Navis Capital Partners' acquisition of NP Medical extends its coverage of the Southeast Asia hospital space to a third geography while tapping into a general trend towards specialty providers.
Read more



By the Numbers

AVCJ RESEARCH

SOUTHEAST ASIA IN SIX TRENDS

To coincide with this week's AVCJ Southeast Asia Forum (see here or the full special issue) ...

Robust growth-stage activity: Southeast Asia is seemingly (perhaps temporarily) immune to the weakening sentiment on early and growth-stage tech investment. The Asia total has dropped for three consecutive quarters, but Southeast Asia rebounded from USD 2.8bn in the first quarter to USD 3.5bn in the second. This follows deployment of USD 16.4bn in 2021, a threefold increase on the previous year.

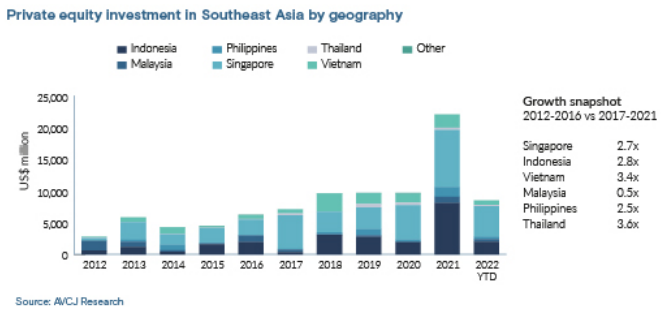
A fundraising challenge: Growtheum Capital Partners wants to raise USD 750m – this would be the largest first-time private equity vehicle for deployment in Southeast Asia and one of barely a dozen overall to surpass USD 700m. It underlines the challenges of raising capital for a sub-regional PE strategy. The annual average total for the past five years is USD 2.5bn, down from USD 3.1bn for the five before that.

Temasek spreads its wings: Unlisted assets have served Temasek Holdings well. Exposure has grown fourfold over the past decade, reaching SGD 210bn (USD 151bn. Most of this is in large, privately held Singapore companies, but allocations to early-stage start-ups and asset management are rising quickly. The latter includes Vertex Holdings, InnoVen Capital, Fullerton Fund Management, and Seatown Holdings International. All are being asked to boost their external fundraising efforts.

Singapore vs Hong Kong: Can Singapore supplant Hong Kong as Asia's preeminent PE hub? The debate has been bubbling away for years, but recently it has taken on a political edge as the financial sector considers the implications of mainland China's tighter hold on Hong Kong. The head of private equity at Alberta Investment Management Corporation (AIMCo) explicitly referenced geopolitical issues when explaining the decision to set up an Asian base in Singapore rather than Hong Kong.

Local listing options: Stock exchanges in Southeast Asia have recognised they must embrace local technology companies or watch them go public in other markets. Consequently, the Jakarta Stock Exchange accounts for more than 70% of the total proceeds from PE-backed IPOs in Southeast Asia since the start of 202, led by Bukalapak and GoTo. Meanwhile, Singapore is also looking to position itself as a regional technology listing destination, rolling out late-stage and pre-IPOs funds.

Vietnam moves up: There is no doubting Vietnam's appeal to private equity investors. Based on capital deployed between 2012 and 2016, Vietnam was Southeast Asia's fourth most popular market. In 2017-2021, it placed third, as investment surged 3.4x to USD 9.2bn. Singapore and Indonesia remain significantly larger in US dollar terms, but their growth over the same period was 2.7x and 2.8x, respectively.



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

- KKR seeks up to $1.5b for Asia tech fund
- Bertelsmann spinout BAI Capital closes $700m China fund
- Navis enters Asia credit space
- B Capital raises $250m for global early-stage fund
- Japan's Anri hits $102m first close on latest VC fund

DEALS

- RRJ to invest $251m in Singapore's Fullerton Health
- China EV maker Hozon completes Series D with $443m tranche
- Korea's Viva Republica raises USD 225m
- China's Jaka Robotics raises $150m Series D
- Japanese autonomous driving player Tier IV raises $300m
- China VCs flock to nine-month-old CPU chip designer
- Korea's NPX confirms $160m media platform acquisition
- Sequoia leads Series A for China automotive chipmaker
- Mutiples commits $30m to India neo-banking platform
- Australian compostable cling film business gets $17m Series A

For your calendar

UPCOMING EVENTS

- **28 July 2022** - Mergermarket M&A Forum - Southeast Asia
- **7 September 2022** - AVCJ Korea Forum
- **13 September 2022** - Infralogic Investors Forum - Japan
- **14-15 September 2022** - AVCJ Japan Forum
- **13 October 2022** - Debtwire Forum - Asia Pacific
- **25-26 October 2022** - AVCJ China Forum
- **14 November 2022 -** AVCJ ESG Forum
- **14 November 2022 -** Diversity & Inclusion Forum
- **15-17 November 2022** - AVCJ Private Equity & Venture Forum
- **6 December 2022 -** Mergermarket M&A Forum - Hong Kong

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